

THE DEPARTMENT OF STATE BULLETIN

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In this issue

MESSAGE OF THE PRESIDENT TO THE CONGRESS

RENEWAL OF TRADE AGREEMENTS

Statement by the Secretary of State

"THE CLIMATE OF PEACE"

By Marion Parks

OKINAWA AND THE LIUCHIUS

By Paul S. Amos

*For complete contents
see inside cover*



THE DEPARTMENT OF STATE

BULLETIN

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The Department of State BULLETIN, a weekly publication compiled and edited in the Division of Research and Publication, Office of Public Affairs, provides the public and interested agencies of the Government with information on developments in the field of foreign relations and on the work of the Department of State and the Foreign Service. The BULLETIN includes press releases on foreign policy issued by the White House and the Department, and statements and addresses made by the President and by the Secretary of State and other officers of the Department, as well as special articles on various phases of international affairs and the functions of the Department. Information concerning treaties and international agreements to which the United States is or may become a party and treaties of general international interest is included.

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Contents

AMERICAN REPUBLICS	Page
"The Climate of Peace". By Marion Parks	732
EUROPE	
Notification by Germany Concerning Exchange of Sick and Wounded Prisoners of War	737
FAR EAST	
Okinawa and the Liuchius. By Paul S. Amos	743
NEAR EAST	
Presentation of Letters of Credence:	
Ambassador of the Turkish Republic	775
Minister of Lebanon	776
CULTURAL COOPERATION	
Visit of Mexican Ethnographer.	784
ECONOMIC AFFAIRS	
Bretton Woods: A Monetary Basis for Trade. Address by Assistant Secretary Acheson	738
Relations Between Foreign Trade and the Welfare of Small Business. Statement by Assistant Secretary Clayton.	760
Fourth Meeting of the International Cotton Advisory Committee:	
Final Action: Resolution	772
Motion by the Committee.	772
Establishment of Facts Regarding Current World Cotton Supplies and Requirements	773
POST-WAR MATTERS	
Message of the President to the Congress	721
United Nations Conference on International Organization:	
Meeting of the United States Delegation. Statement by the Secretary of State.	724
Designation of Consultants to the United States Delegation.	724
Soviet Request To Invite Provisional Government in Warsaw to Conference. Statement by the Department of State	725
Exchange of Letters Between Cordell Hull and the Secretary of State	726
The San Francisco Conference. Address by Assistant Secretary Holmes	727
Announcement of Various Foreign Delegations	729
Meeting of the Committee of Jurists: Drafting of Statute for an International Court of Justice	759

(Continued on p. 786)

JULY 15 '45

Message of the President to the Congress

[Released to the press by the White House April 16]

MR. SPEAKER, MR. PRESIDENT, MEMBERS OF CONGRESS: It is with heavy heart that I stand before you, my friends and colleagues, in the Congress of the United States.

Only yesterday, we laid to rest the mortal remains of our beloved President, Franklin Delano Roosevelt. At a time like this, words are inadequate. The most eloquent tribute would be a reverent silence.

Yet, in this decisive hour, when world events are moving so rapidly, our silence might be misunderstood and might give comfort to our enemies.

In His infinite wisdom, Almighty God has seen fit to take from us a great man who loved, and was beloved by, all humanity.

No man could possibly fill the tremendous void left by the passing of that noble soul. No words can ease the aching hearts of untold millions of every race, creed, and color. The world knows it has lost a heroic champion of justice and freedom.

Tragic fate has thrust upon us grave responsibilities. We must carry on. Our departed leader never looked backward. He looked forward and moved forward. That is what he would want us to do. That is what America will do.

So much blood has already been shed for the ideals which we cherish, and for which Franklin Delano Roosevelt lived and died, that we dare not permit even a momentary pause in the hard fight for victory.

Today, the entire world is looking to America for enlightened leadership to peace and progress. Such a leadership requires vision, courage, and tolerance. It can be provided only by a united nation deeply devoted to the highest ideals.

I call upon all Americans to help me keep our Nation united in defense of those ideals which have been so eloquently proclaimed by Franklin Roosevelt.

I want in turn to assure my fellow Americans and all of those who love peace and liberty throughout the world that I will support and defend those ideals with all my strength and with all my heart. That is my duty and I shall not shirk it.

So that there can be no possible misunderstanding, both Germany and Japan can be certain, beyond any shadow of doubt, America will continue to fight for freedom until no vestige of resistance remains!

We are deeply conscious of the fact that much hard fighting is still ahead of us.

Having to pay such a heavy price to make complete victory certain, America will never become a party to any plan for partial victory!

To settle for merely another temporary respite would surely jeopardize the future security of all the world.

Our demand has been, and it *remains*, unconditional surrender!

We will not traffic with the breakers of the peace on the terms of the peace.

The responsibility for the making of the peace—and it is a very grave responsibility—must rest with the defenders of the peace, the United Nations. We are not unconscious of the dictates of humanity. We do not wish to see unnecessary or unjustified suffering. But the laws of God and of man have been violated and the guilty must not go unpunished. Nothing shall shake our determination to punish the war criminals even though we must pursue them to the end of the earth.

Lasting peace can never be secured if we permit our dangerous opponents to plot future wars with impunity at any mountain retreat—however distant.

In this shrinking world, it is futile to seek safety behind geographical barriers. Real security will be found only in law and in justice.

Here in America, we have labored long and hard to achieve a social order worthy of our great heritage. In our time, tremendous progress has been made toward a really democratic way of life. Let me assure the forward-looking people of America that there will be no relaxation in our efforts to improve the lot of the common people.

In the difficult days ahead, unquestionably we shall face problems of staggering proportions. However, with the faith of our fathers in our hearts, we fear no future.

On the battlefields, we have frequently faced

overwhelming odds—and won! At home, Americans will not be less resolute!

We shall never cease our struggle to preserve and maintain our American way of life.

At this very moment, America, along with her brave Allies, is paying again a heavy price for the defense of our freedom. With characteristic energy, we are assisting in the liberation of entire nations. Gradually, the shackles of slavery are being broken by the forces of freedom.

All of us are praying for a speedy victory. Every day peace is delayed costs a terrible toll.

The armies of liberation today are bringing to an end Hitler's ghastly threat to dominate the world. Tokyo rocks under the weight of our bombs.

The grand strategy of a United Nations' war has been determined—due in no small measure to the vision of our departed Commander in Chief. We are now carrying out our part of that strategy under the able direction of Admiral Leahy, General Marshall, Admiral King, General Arnold, General Eisenhower, Admiral Nimitz, and General MacArthur.

I want the entire world to know that this direction must and will remain—*unchanged and unhampered!*

Our debt to the heroic men and valiant women in the service of our country can never be repaid. They have earned our undying gratitude. America will never forget their sacrifices. Because of these sacrifices, the dawn of justice and freedom throughout the world slowly casts its gleam across the horizon.

Our forefathers came to our rugged shores in search of religious tolerance, political freedom, and economic opportunity. For those fundamental rights, they risked their lives. We know today that such rights can be preserved only by constant vigilance, the eternal price of liberty!

Within an hour after I took the oath of office, I announced that the San Francisco conference would proceed. We will face the problems of peace with the same courage that we have faced and mastered the problems of war.

In the memory of those who have made the supreme sacrifice—in the memory of our fallen President—we *shall not fail!*

It is not enough to yearn for peace. We must work and, if necessary, fight for it. The task of creating a sound international organization is complicated and difficult. Yet, without such or-

ganization, the rights of man on earth cannot be protected. Machinery for the just settlement of international differences must be found. Without such machinery, the entire world will have to remain an armed camp. The world will be doomed to deadly conflict, devoid of hope for real peace.

Fortunately, people have retained hope for a durable peace. Thoughtful people have always had faith that ultimately justice *must* triumph. Past experience surely indicates that, without justice, an enduring peace becomes impossible.

In bitter despair, some people have come to believe that wars are inevitable. With tragic fatalism, they insist that, as wars have always been, of necessity wars will always be. To such defeatism, men and women of good-will must not and cannot yield. The outlook for humanity is not so hopeless.

During the darkest hours of this horrible war, entire nations were kept going by something intangible—hope! When warned that abject submission offered the only salvation against overwhelming power, hope showed the way to victory.

Hope has become the secret weapon of the forces of liberation!

Aggressors could not dominate the human mind. As long as hope remains, the spirit of man will *never* be crushed.

But hope alone was not and is not sufficient to avert war. We must not only have hope but we must have faith enough to work with other peace-loving nations to maintain the peace. Hope was not enough to beat back the aggressors as long as the peace-loving nations were unwilling to come to each other's defense. The aggressors were beaten back only when the peace-loving nations united to defend themselves.

If wars in the future are to be prevented, the peace-loving nations must be united in their determination to keep the peace under law. The breaking of the peace anywhere is the concern of peace-loving nations everywhere.

Nothing is more essential to the future peace of the world than continued cooperation of the nations which had to muster the force necessary to defeat the conspiracy of the Fascist powers to dominate the world.

While these great states have a special responsibility to enforce the peace, their responsibility is based upon the obligations resting upon all states, large and small, not to use force in international relations except in the defense of law. The re-

sponsibility of the great states is to serve and not dominate the peoples of the world.

To build the foundation of enduring peace we must not only work in harmony with our friends abroad but we must have the united support of our own people.

Even the most experienced pilot cannot bring a ship safely into harbor unless he has the full cooperation of the crew. For the benefit of all, every individual must do his duty.

I appeal to every American, regardless of party, race, creed, or color, to support our efforts to build a strong and lasting United Nations Organization.

You, the members of Congress, surely know how I feel. Only with your help can I hope to complete one of the greatest tasks ever assigned to a public servant. With Divine guidance, and your help, we will find the new passage to a far better world, a kindly and friendly world, with just and lasting peace.

With confidence, I am depending upon all of you.

To destroy greedy tyrants with plans of world domination, we cannot continue in successive generations to sacrifice our finest youth.

In the name of human decency and civilization, a more rational method of deciding national differences *must* and *will* be found!

America must assist suffering humanity back along the path of peaceful progress. This will require time and tolerance. We shall need also

an abiding faith in the people, the kind of faith and courage which Franklin Delano Roosevelt always had!

Today, America has become one of the most powerful forces for good on earth. We must keep it so. We have achieved a world leadership which does not depend solely upon our military and naval might.

We have learned to fight with other nations in common defense of our freedom. We must now learn to live with other nations for our mutual good. We must learn to trade more with other nations so that there may be—for our mutual advantage—increased production, increased employment, and better standards of living throughout the world.

May we Americans live up to our glorious heritage.

In that way, America may well lead the world to peace and prosperity.

At this moment, I have in my heart a prayer. As I assume my heavy duties, I humbly pray to Almighty God, in the words of Solomon:

"Give therefore thy servant an understanding heart to judge thy people, that I may discern between good and bad: for who is able to judge this thy so great a people?"

I ask only to be a good and faithful servant of my Lord and my people.

Signing of Fourth Protocol With Soviet Government

[Released to the press April 21]

Representatives of the Governments of the United States, the United Kingdom, Canada, and the Union of Soviet Socialist Republics signed on April 17, 1945 in Ottawa an agreement known as the Fourth Protocol covering the provision of supplies to the Soviet Government in furtherance of the war against the common enemy. The period covered by the protocol is July 1, 1944 to June 30, 1945, but, although the formal signing took place on April 17, 1945, the provisions of the agreement have been effective since the thirtieth of June last, and the flow of supplies of all kinds needed for the prosecution of the war has continued without interruption.

In the protocol the Soviet Government reaffirms its determination to furnish the other parties to

the agreement with such raw materials, other supplies and services required for war use as can be made available.

Three former agreements of this kind have been signed: The first in Moscow, October 4, 1941, the second in Washington in October 1942, and the third in London in October 1943. The agreement just concluded in Ottawa was signed by the United States Ambassador to Canada on behalf of the United States, by the United Kingdom High Commissioner to Canada on behalf of the United Kingdom, by the Prime Minister and the Minister of Finance on behalf of Canada, and by the Soviet Ambassador to Canada on behalf of the Union of Soviet Socialist Republics.

OTTAWA, April 20, 1945.

United Nations Conference on International Organization

Meeting of the United States Delegation

Statement by THE SECRETARY OF STATE

[Released to the press April 18]

The United States Delegation¹ to the San Francisco conference completed this morning its review and examination of the Dumbarton Oaks Proposals.

The members of the Delegation had a full and frank exchange of views on each chapter and paragraph of the Proposals. Various suggestions by members of the Delegation were considered as well as suggestions made by other governments and by various groups and individuals in the United States. The Delegation is in agreement on all major points and is going to San Francisco confident that the conference will be able to agree upon a charter for an effective international organization for peace and security which will fulfil the high hopes of the millions of peace-loving peoples of this country and the world.

Designation of Consultants to The United States Delegation

[Released to the press April 21]

The Secretary of State announced on April 21 that the following persons would serve as consultants to the United States Delegation to the United Nations Conference on International Organization in San Francisco, each having been named by one of the 42 national organizations which were invited by the Secretary of State to designate a consultant. The names of persons who have been designated as associates of the consultants are also given. The list follows:

American Association for the United Nations:

Mr. Clark M. Eichelberger, consultant
Dr. Philip Nash, associate
Miss Margaret Olson, associate

¹ BULLETIN of Feb. 18, 1945, p. 217.

American Association of University Women:

Dr. Helen D. Reid, consultant
Mrs. Malbone W. Graham, associate
Dr. Aurelia Henry Reinhardt, associate

American Bar Association:

Mr. David A. Simmons, consultant
Mr. Mitchell B. Carroll, associate
Mr. William L. Ransom, associate

American Council on Education:

Dr. Herman B. Wells, consultant
Dr. Howard Wilson, associate
Miss Helen C. Hurley, associate

American Farm Bureau Federation:

Mr. Edward A. O'Neal, consultant
Mrs. Charles W. Sewell, associate

American Federation of Labor:

Mr. Robert J. Watt, consultant
Mr. Robert Byron, associate
Mr. David Beck, associate

American Jewish Committee:

Mr. Joseph M. Proskauer, consultant
Mr. Jacob Blaustein, associate
Mr. George Z. Medalle, associate

American Jewish Conference:

Mr. Henry Monsky, consultant
Mr. Louis Lipsky, associate
Mr. Israel Goldstein, associate

American Legion:

Commander Edward N. Scheiberling, consultant
Mr. David Camelon, associate

American Section—International Chamber of Commerce:

Mr. Philip B. Reed, consultant
Mr. Marshall Dill, associate

Americans United for World Organization, Inc.:

Mr. Hugh Moore, consultant
Mrs. Doris Warner Leroy, associate
Mr. Uiric Bell, associate

American Veterans Committee:

Mr. Charles G. Bolté, consultant
Mr. Alfred Lillenthal, associate
Mr. Arthur W. Coats, associate

Carnegie Endowment for International Peace:

Dr. James T. Shotwell, consultant
Mr. George A. Finch, associate

Catholic Association for International Peace:

Mr. Thomas H. Mahony, consultant
Miss Catherine Schaeffer, associate
Father R. A. McGowan, associate

Chamber of Commerce of the United States:

Mr. Harper Sibley, consultant
Mr. Benjamin H. Namm, associate

Church Peace Union:

Mr. Henry Atkinson, consultant
Miss Margaret Forsyth, associate
Miss Dorothy McConnell, associate

Congress of Industrial Organizations:

Mr. Philip Murray, consultant
Mr. James Carey, associate
Miss Molly Lynch, associate

Council on Foreign Relations:

Mr. Thomas K. Finletter, consultant

Disabled American Veterans of the World War:

Mr. Milton D. Cohn, consultant
Mr. Vivian D. Corbley, associate

Farmers Union:

Mr. James G. Patton, consultant

Federal Council of Churches of Christ in America:

Dr. Walter Van Kirk, consultant
Mr. O. Frederick Nolde, associate
Bishop James C. Baker, associate

Foreign Policy Association:

General Frank McCoy, consultant
Mrs. Vera M. Dean, associate
Mr. W. W. Lancaster, associate

General Federation of Women's Clubs:

Mrs. LaFell Dickinson, consultant
Mrs. William Dick Sporborg, associate
Mrs. Earl Shoesmith, associate

Kiwanis International:

Mr. Donald B. Rice, consultant
Mr. Harley Magee, associate

Lions International:

Mr. D. A. Skeen, consultant
Mr. Melvin Jones, associate.
Mr. Fred Smith, associate

National Association for the Advancement of Colored People:

Mr. Walter White, consultant
Mr. W. E. B. DuBois, associate
Mrs. Mary McLeod Bethune, associate

National Association of Manufacturers:

Mr. Robert M. Gaylord, consultant
Mr. Hugh O'Connor, associate
Mr. W. W. Cumberland, associate

National Catholic Welfare Conference:

Mr. Richard Pattee, consultant

National Congress of Parents and Teachers:

Mrs. William A. Hastings, consultant

National Council of Farmer Cooperatives:

Mr. Homer L. Brinkley, consultant
Mr. Earl W. Benjamin, associate
Mr. C. O. Teague, associate

National Education Association:

Dr. William G. Carr, consultant
Mr. Ben Cherrington, associate

National Exchange Club:

Mr. A. Brooks Berlin, consultant

National Federation of Business and Professional Women's Clubs, Inc.:

Miss Margaret Hickey, consultant
Miss Josephine Schain, associate

National Foreign Trade Council:

Mr. Eugene P. Thomas, consultant

Mr. Henry F. Grady, associate

Mr. John Abblink, associate

National Grange:

Mr. Albert Goss, consultant
Mr. George Sehlmeier, associate

National Lawyers Guild:

Mr. Robert W. Kenny, consultant
Mr. Martin Popper, associate

National League of Women Voters:

Mrs. William Johnson, consultant
Mrs. George H. Engels, associate
Mrs. Anne Hartwell Johnstone, associate

National Peace Conference:

Miss Jane Evans, consultant
Dr. John Paul Jones, associate
Mr. Richard Wood, associate

Railway Labor Executives Association:

Mr. Charles J. MacGowan, consultant

Rotary International:

Mr. Richard H. Wells, consultant
Mr. Philip Lovejoy, associate

Women's Action Committee for Victory and Lasting Peace:

Miss Lillian M. Phillips, consultant
Mrs. Arthur Brin, associate
Mrs. George Fielding Elliot, associate

Veterans of Foreign Wars of the United States:

Mr. Louis G. Starr, consultant
Mr. L. G. Taggart, associate
Judge Frederick M. Miller, associate

Soviet Request To Invite Provisional Government in Warsaw to Conference

Statement by THE DEPARTMENT OF STATE

[Released to the press April 19]

The note which has been received from the Soviet Government reiterates the Soviet request that the present Provisional Government now functioning in Warsaw be invited to send representatives to the Conference at San Francisco. Poland is a member of the United Nations and of right should be at San Francisco. However, the view of the United States Government remains that an invitation to the Conference at San Francisco should be extended only to a new Provisional Government of National Unity formed in accordance with the Crimea agreement.¹

¹ BULLETIN of Dec. 24, 1944, p. 836; Feb. 18, 1945, p. 215; and Apr. 8, 1945, p. 606.

Exchange of Letters Between Cordell Hull' and the Secretary of State

[Released to the press April 22]

UNITED STATES NAVAL HOSPITAL,
BETHESDA, MARYLAND,
April 20, 1945.

MY DEAR MR. SECRETARY:

With utmost regret, I find it necessary to inform you that, in the opinion of my physicians, it will be inadvisable for me to be present in San Francisco at the opening of the United Nations Conference on International Organization. I hope, however, that my health may in the near future permit a trip to San Francisco and my attendance at a later stage of the Conference.

I regard this meeting of the United Nations as one of the great turning points in history. The decisions made there will guide the destinies of the human race for generations to come.

Grim memories of three tragic decades will hover over the San Francisco Conference. There will be memories of a world in flames in 1914-18 and of high hopes, on the morrow of that holocaust, for an enduring peace and for a revitalization of human freedom. There will be memories of those hopes all too soon betrayed and shattered by selfishness and blindness and a disastrous lowering of moral standards in relations among nations. There will be memories of the rise of new tyrants aspiring to world conquest and domination, and of supine inaction of peace-loving nations in the face of new mortal dangers to liberty and peace. And there will be memories of a world again in flames, more intense, more widespread, more sweepingly destructive than ever before of every precious heritage of civilized man.

Out of all these searing memories there must be forged in each and every one of us a new resolve that such things must not again come to pass. We of this day and age are offered an opportunity which, once lost, may never recur. It is an opportunity to build for ourselves and for the future generations a structure of international relations that will, at long last, give humanity a tangible

hope of enduring peace, of confidence born of security, of material and spiritual advancement uninterrupted by barbaric eruptions of ever more destructive wars.

That structure must be built upon the foundations of law, justice and fair dealing, of constant alertness to danger, of cooperative effort in support of peace and security and freedom and progress, of willingness to compose differences by peaceful adjustment, of readiness to use force, if necessary, for the maintenance of peace. Only as that structure is built now, only as it is tended and strengthened through the years to come, will the tragic memories of the past be effaced, the untold sacrifices of two world wars be vindicated, and hope for the future be kindled in triumph.

The creation of that structure is a common interest of all peace-loving nations, fundamental to their very survival as free nations. There are no differences or difficulties between and among them that cannot be resolved within its framework.

What happens at San Francisco will be an acid test of whether mankind has suffered enough and has learned enough to have acquired the vision and the resolution to build a structure of organized international relations, through which order under law can be established and maintained.

I have profound faith that, whatever the difficulties, the labors of the Conference will be crowned with success. I shall follow its work from afar with absorbing interest. So far as my strength may permit, I shall endeavor to make whatever contribution I can to its successful outcome.

I shall be most grateful if you would be kind enough to convey to my colleagues on the United States Delegation and to the delegations of all participating nations my best wishes and my fervent hope that I may still be able to join their ranks in person as I shall ever be in spirit.

Sincerely yours,

CORDELL HULL

The Honorable

EDWARD R. STETTINTUS, Jr.,
Secretary of State

¹Mr. Hull is member of and senior adviser to the United States Delegation to the Conference.

April 21, 1945

DEAR MR. HULL,

On behalf of the United States Delegation to the United Nations Conference on International Organization I wish to thank you for your inspiring letter of April 20 and to express to you our great disappointment that you will not be with us in San Francisco at the opening of the Conference. All of us have every hope that you will be able to join us at San Francisco later on.

In the meantime I shall keep in constant touch with you and will be counting on your guidance throughout these important deliberations. I know

I am speaking for each United States delegate in saying that we approach with great humility our tasks at this Conference of United Nations, which you so justly describe as "one of the great turning points in history". I believe that all of the delegates from the United Nations, who are already assembling in San Francisco, feel this deep sense of responsibility and I share your faith that we will be successful in this great undertaking.

Faithfully yours,

EDWARD R. STETTINIUS, Jr.

The Honorable
CORDELL HULL

The San Francisco Conference

Address by ASSISTANT SECRETARY HOLMES¹

[Released to the press April 20]

Meeting with you here tonight has a double significance for me. The first is that this is my part of the country. I feel that I'm coming home when I get back to the Middle West. And feeling at home here, it is easy for me to speak in the direct terms that I prefer, and with the frankness that is characteristic of our people of this part of the country.

The second significant point transcends any personal satisfaction. It is the fact that this meeting tonight climaxes the observance of Dumbarton Oaks Week in Milwaukee. For the past days you have concentrated your attention on the Dumbarton Oaks Proposals for an international organization to promote world peace and security. The fact that you have done so means, above all else, that you realize how great is our stake in international affairs, how completely our peace and prosperity is interwoven with the peace and prosperity of other nations.

Ladies and gentlemen, I do not hesitate to say to you that it is high time we all realize this fact. Two wars are ample proof that we cannot remain apart from the rest of the world.

This second World War which we are still fighting today has been and is terrible beyond man's worst imaginings of warfare. As we come closer and closer to final victory, we gain increasing knowledge of the price we and the world must pay for that victory. I have myself seen a part of that price paid in Tunisia, in Sicily and Italy,

and in France, during my 27 months overseas as a member of General Eisenhower's staff. If there ever was any glamor to war, there is none today. It is a hellish, soul-searing business. It is full of pain and suffering and death. It brings destruction and ruin to the peoples who dwell in its path. If wars continue in the future, they will mean the end of civilization as we know it.

And so, when I was called back from the Army to take my present place as an Assistant Secretary of State, I did so not as a civilian, but as would any soldier given another wartime assignment. And it is as that soldier that I speak to you tonight. Your duty, and my duty, now is to see to it that we build a peace that will last, and one that will justify the incredible sacrifices made by the men at close grips with the enemy. I can tell you categorically and from my own experience that our men overseas are determined that it shall not happen again. They have fought, and many of them have died, in the belief that in winning this war we shall also win the peace to follow. They are busy winning the war. They look to you and me to take the first steps to gain that other goal of a lasting peace.

Tonight many nations of the world still mourn with us the recent and tragic death of our great

¹ Delivered before the Milwaukee Joint Committee on Dumbarton Oaks Week, sponsored by the Council for a Lasting Peace and the United Nations Committee, in Milwaukee, Wis., on Apr. 20, 1945. The address was broadcast from Milwaukee.

leader and friend, President Roosevelt. We could pay no more fitting tribute to his memory than by bringing complete unity of purpose to these primary aims for which he had so worked and planned—winning the war and building the peace.

The very fact that you are meeting here tonight shows how deeply you are aware of your responsibilities in this job of building the peace. For it is not the job of the President alone, nor of the Secretary of State, nor of those of us who work directly with them. It is the job of all of us, and your job and your neighbors'. It is the job of all nations and all peoples who know, as we know, that victory in this war will mean nothing but loss and heartbreak and continued turmoil unless we band ourselves together to work for peace and security as we have fought for freedom from tyranny and aggression.

The people of America have indicated in an overwhelming majority their desire for an international organization designed to secure for us, and our children, the kind of decent world we all desire. With few dissenting voices, they have stated their determination that this Nation shall adhere to the underlying principles so ably expressed by President Roosevelt in his last, undelivered speech, written only the night before he died:

"We seek peace—enduring peace. More than an end to war, we want an end to the beginnings of all war—yes, an end to these brutal, inhuman, and thoroughly impractical methods of settling the differences between governments. . . . But the mere conquest of our enemies is not enough. We must go on to do all in our power to conquer the doubts and the fears, the ignorance and the greed, which made this horror possible. . . . Today, we are faced with the preeminent fact that, if civilization is to survive, we must cultivate the science of human relationships—the ability of all peoples, of all kinds, to live together and work together, in the same world, at peace. . . . The only limit to our realization of tomorrow will be our doubts of today. Let us move forward with strong and active faith."

We have lost a great leader, but in his successor we have a man who stands firmly behind the principles of international cooperation enunciated by Franklin D. Roosevelt. In his foreign-policy talk to Congress on April 16, President Truman said:

"If wars in the future are to be prevented, the

peace-loving nations must be united in their determination to keep the peace under law. The breaking of the peace anywhere is the concern of peace-loving nations everywhere.

"Nothing is more essential to the future peace of the world than continued cooperation of the nations which had to muster the force necessary to defeat the conspiracy of the Fascist powers to dominate the world."

That is a crystal-clear statement of our beliefs and our wishes. The outlines of what we want are simple. We want an organization of the peace-loving nations of the world, pledged to stamp out aggression at its source, and to work together to promote social, economic, and humanitarian progress. The Dumbarton Oaks Proposals offer us a starting-point, in my opinion an amazingly good starting-point. I do not propose to give you another explanation of them tonight. Able speakers have already done so. You yourselves have read the Proposals. You know the kind of international organization machinery they outline.

But now we are ready to go a long step farther. In less than a week, we face the opening date of one of the greatest and most significant conferences in world history—the United Nations Conference in San Francisco. The delegates to that Conference will come together to draw up the actual charter for an international organization along the general lines of the Dumbarton Oaks Proposals.

We know what we want, and the delegates of the other United Nations know what they want. The only differences are in degree and in execution. But we must not delude ourselves into believing that the Conference will have all smooth sailing. It must of necessity run into snags—divergences of viewpoint, and national interest and even differences of temperament among the delegates must be reckoned with. All these things are natural; nothing else could be expected with representatives of 46 different nations attending. What we must *not* do is to let any temporary set-back throw us off our main course. The differences will be ironed out; adjustments and compromise will be made, for every nation attending has the same "passion for peace" that we have.

So there is one question that is of primary importance now, today, as it will be in San Francisco: Are we going to work toward the large aim, or are we going to hold out for the small points? We can't afford to slough off that question. It may

mean the success or the failure of all our efforts towards international organization. Now above all times we cannot afford to look so closely at the trees that we fail to see the forest.

Drafting that charter at San Francisco is a tremendous order of business. No one nation is going to "carry the meeting". If we or any other nation were to go to San Francisco with that idea, the Conference would be doomed from the start. We might as well, in that event, start preparing for the next war before our victory is final in the war we are fighting today.

I spoke a moment ago of the fact that we Americans have indicated in overwhelming majority that we want this kind of international organization. The Department of State receives several thousand letters a week from American citizens in all walks of life, the majority of them concerned with the Dumbarton Oaks Proposals and the coming Conference. I would like to read to you a few paragraphs of one of these letters—one that I received last week from an old friend in Kansas.

"Because I feel that I know you, I am going to take the liberty of urging that the State Department continue and expand its policy of taking the people—us folks at the grass roots—into its confidence—as far as compatible with common sense. . . .

"The time is short. Reconstruction is already on us. There is much confusion, much idealism, but little realism about foreign affairs. As you have said, American foreign policy to be vital must have the backing of the people. . . . We are deluged with the printed page and the spoken words of commentators speaking from second or third hand—or from no hand at all. We want to

hear from you people in the State Department who are at grips first hand with international reality. The sooner we hear, the better."

Well, that's exactly what we intend to do—what we are trying to do—to let the people know. There must be nothing hush-hush about this Nation's foreign policy. From all over the country men and women have asked us for information on matters of foreign affairs and international relations. We have tried to fill those requests to the limit of our ability.

Certainly closet diplomacy is not necessary or even practical when it comes to this vital question of international organization. Your groups and organizations, and you individual citizens of the United States, have asked us to talk to you about it. We have answered thousands of requests for printed material on the subject. We have gone before the microphone to give you frank and open discussions of this question and other matters related to it. The people of this country have listened, and asked for more.

We are going to keep this up because we believe that it is right, because we believe in your interest and your concern. We are going to keep it up because the foreign policy of the United States is not just of this Government: it is of the people. We are going to keep it up because participation by this country in an international organization to promote peace and security will be—remember our heritage of democracy—participation by the American people themselves.

And we are not going to stop doing it unless the people of the United States themselves tell us to stop!

Announcement of Various Foreign Delegations¹

[Released to the press April 18]

Canadian Delegation

Prime Minister W. L. MacKenzie King has announced that he will head the Canadian Delegation to the United Nations Conference on International Organization at San Francisco on April 25 and that other delegates will be Senator James H. King, Liberal; L. S. St. Laurent, Minister of Justice; Gordon Graydon, Progressive Conserva-

tive (Opposition); M. J. Coldwell, Cooperative Commonwealth Federation Leader; Mrs. Cora Casselman, Liberal; and Senator Lucien Morau, Conservative. In addition there are seven senior advisers to the Delegation: Norman Robertson, Under Secretary of State for External Affairs; Hume Wrong, Associate Under Secretary of State

¹ For other foreign delegations, see BULLETIN of Apr. 8, 1945, p. 609.

for External Affairs; and the following Canadian Ambassadors: L. B. Pearson, Washington; Jean Désy, Rio de Janeiro; Dana Wilgress, Moscow; Warwick Chipman, Santiago, Chile; and General Maurice Pope, Military Adviser to the Prime Minister.

Chilean Delegation

Joaquín Fernández Fernández, Minister of Foreign Affairs of Chile, will be chairman of his country's Delegation. The Chilean Ambassador to the United States, Marcial Mora, will be a member of the Delegation.

Costa Rican Delegation

The Costa Rican Delegation will be headed by Foreign Minister Julio Acosta García and the following will be delegates: Alvaro Bonillalara, Minister of Finance and Commerce; Francisco de P. Gutierrez, Ambassador to the United States; Luis Demetrio Tinoco Castro, ex-Minister of Foreign Affairs; Luis Anderson Morua, ex-Minister of Foreign Affairs; José Rafael Oreamuno Flores; Manuel Francisco Jiménez Ortiz; Julio Peña Morua; Fabio Fournier Jiménez, First Secretary and Legal Adviser; and Fernando Soto Guardia, Second Secretary.

Czechoslovak Delegation

Jan Masaryk, Foreign Minister of Czechoslovakia, will head his country's Delegation, which includes Jan Papanek, Ivan Krno, Josef Hanc, and Vaclav Beneš.

Ecuadoran Delegation

Minister for Foreign Relations Camilo Ponce Enríquez will be president of the Ecuadoran Delegation. The following are delegates: Luis Eduardo Lasso, Minister of Economy; Galo Plaza, Ambassador at Washington; Gonzalo Escudero Moscoso, Technical Adviser in the Foreign Office; Neptali Ponce, Minister Counselor of Embassy at Washington; Carlos Tobar y Zeldumbide, Under Secretary of Foreign Relations.

Salvadoran Delegation

The Delegation of El Salvador will include Dr. Hector David Castro, Ambassador Designate to the United States, president of Delegation; José Antonio Quiros, second delegate; and Carlos Leiva, third delegate.

Iraq Delegation

Iraq's Delegation will include Arshadal-Umri, Minister for Foreign Affairs; Nuri Pasha as-Said, Senator and ex-Prime Minister; Towfiqas-Suwaidi, Deputy and ex-Prime Minister; Ali Jawdat al-Ayubi, Minister to the United States and ex-Prime Minister; Nasratal-Farisi, Deputy and ex-Minister for Foreign Affairs; Fadhil Jamali, Director General, Foreign Affairs, with rank of Minister.

Luxembourg Delegation

The Luxembourg Delegation will be headed by Minister of Foreign Affairs Joseph Bech, who will be joined by the Luxembourg Minister at Washington, Hugues Le Gallais.

Netherlands Delegation

Dr. Eelco van Kleffens, Minister of Foreign Affairs, will be chairman of the Netherlands Delegation to San Francisco. Other members include Alexander Loudon, vice chairman of the Delegation and Netherlands Ambassador at Washington; Leo Josephus Cornelis Beaufort, Father Didymus, O.F.M.; Vice Admiral Conrad Emil Lambert Helfrich, Commander in Chief of all Netherlands forces in the Far East; Hubertus J. van Mook, Lieutenant Governor General of the Netherlands East Indies; Major General H. E. van Tricht, Military Attaché to the Netherlands Legation at Bern, Switzerland. Assistant Delegates will be Adrian Pelt, head of the Netherlands Government Information Service in London; J. H. van Royen, Special Assistant to the Minister of Foreign Affairs; Jonkheer H. L. F. K. van Vredenburg; Raden Mohamed Moesa Soerianatadjoemena, Personal Assistant to the chairman; B. J. Slingenberg, Attaché of the Netherlands Embassy at Washington, secretary of the Delegation; Miss E. S. F. Vanalphen, Private Secretary to the Foreign Minister and assistant secretary of the Delegation.

Nicaraguan Delegation

The Nicaraguan Delegation will be headed by Dr. Mariano Argüello Vargas, Foreign Minister, and includes Guillermo Sevilla Sacasa, Ambassador at Washington, delegate; and Colonel Dr. Luís Manuel Debayle, Director General of Public Health, delegate. Colonel Guillermo Rivas Cuadra, Chief of the Nicaraguan Air Force, will accompany the Delegation as attaché. Marcel

Jover will be press attaché, and Alonso S. Peroles, Consul General, San Antonio, will also accompany the Delegation.

Panamanian Delegation

The chairman of the Delegation from Panama will be Roberto Jiménez, Minister for Foreign Relations. The delegates will be Octavio Mendez Pereira, rector, Inter-American University, Panama City; Juan R. Morales, lawyer, member of Renovador Political Party; Abdiel J. Aries, consul, Pasadena, California; and Ricardo J. Alfaro, former Ambassador to the United States. The technical adviser will be Mario de Diego, Chief of Protocol, Foreign Office. Gerardo L. Díaz, publisher of *Hechos*, and Maximiliano Fábrega will be secretaries of the Delegation.

Saudi Arabian Delegation

His Royal Highness, Amir Faisal ibn Abdul Aziz al Saud, Viceroy of the Hejaz and Foreign Minister of Saudi Arabia will be chief of his Delegation, assisted by Shaikh Hafiz Wahba, Minister at London; Shaikh Assad al Faqih, Minister at Baghdad; Shaikh Ibrahim Suleiman, Chief of Amir Faisal's Personal Cabinet; and Shaikh Salih al Abbad will be assistant and accountant.

South African Delegation

The Department announced on March 30¹ that Field Marshal Jan Christian Smuts would head the South African Delegation to the San Francisco conference. Other members of the Delegation include D. D. Forsyth, Secretary for External Affairs; H. T. Andrews, Chief of the South African Government Supply Mission, Washington; R. Jones, Acting Accredited Representative for the Union of South Africa, Ottawa; J. R. Jordaan, Secretary to the Union Legation, Washington; D. L. Smit, Secretary for Native Affairs; L. E. Orkin, official of the Labor Department. H. M. Moolman, Director of the South African Government Information Office, Washington, will be press-relations officer, and T. Hewitson, Vice Consul, New York, will be secretary.

Turkish Delegation

The Turkish Delegation will be headed by Hasan Saka, Minister for Foreign Affairs, and the secretary general of the Delegation will be Sureyya Anderiman, Columbia University graduate and Confidential Secretary to the President. Delegates include Huseyin Ragip Baydur, Ambassador

Designate at Washington; Feridun Cemal Erkin, Assistant Secretary General of the Foreign Office; and Hni Zamettin Erenel, First Secretary of Embassy. Advisers to the Delegation will be Cemil Bilsel, former director of the University of Istanbul and Deputy from Samsun; A. Sukrru Esmer, Columbia University graduate, journalist and Deputy from Istanbul; H. Atif Kuyucak, Secretary General of the Bureau of Coordination and Deputy from Zonguldak; Sinasi Devrin, graduate of the School of Political Science in Paris and Deputy from Zonguldak; Nihad Erim, professor of the School of Political Science and Administration in Ankara and Legal Adviser to the Foreign Office; A. Zeke Polaw, Director General of the First Department of the Foreign Office; Sadi Kavur, Confidential Secretary to Minister for Foreign Affairs. The head of press will be Falih Bifki Atay, publisher and editor of *Ulus* and Deputy from Ankara. In addition, the Delegation will include Hasa Nurelgin, Assistant Director General of the First Department of the Foreign Office; Nizamoddin Erenel, Assistant Director General of the Department of Commerce and Economy of the Foreign Office; Orhan Tahsinn Gunden, Director of Section of the Foreign Office; Sinasizsiber, editor and translator in the Foreign Office; Lt. Col. Huseyin Ataman and Lt. Col. Tekin Ariburun, former Air Attaché in Washington, the latter two being representatives of the Minister of National Defense on behalf of the General Staff.

Uruguayan Delegation

The Uruguayan Delegation is as follows: chairman, Foreign Minister José Serrato; delegate and alternate chairman, Jacobo D. Varela; delegates, Ambassador Juan Carlos Blanco, Ambassador Roberto E. MacEachen, Senator Cesar Charlone, Senator Cyro Giambruno, Senator Dardo Regules, Deputy Juan F. Guichon, and Deputy Hector Payese Reyes; Minister attached to Delegation, Luis Guillot; advisers, Minister José A. Mora Otero, Minister Alfredo Carbonell Debali. The secretary general will be Vicente Mora Rodriguez; Jorge Barreiro will be secretary.

Venezuelan Delegation

Minister of Foreign Relations Caracciolo Parra Pérez will be chairman of the Venezuelan Delegation.

¹ BULLETIN of Apr. 1, 1945, p. 577.

"The Climate of Peace"

By

MARION PARKS¹

AMONG MANY NOTEWORTHY aspects of the Inter-American Conference on Problems of War and Peace, held in Mexico City February 21 to March 8, 1945, none was more striking than the emphasis placed on matters of social welfare and human liberty as factors in the prevention of war and the preservation of peace.

Social questions have been the subject of resolutions in one form or another in every inter-American meeting since the first was held in 1889, but in no other conference have these considerations loomed so large as they did at Mexico City. This unusual emphasis is significant of the course that our international relations have taken during recent years, and it can be expected to be a factor of major importance in the future development of American foreign policy. An examination of the Mexico City pronouncements on social matters shows that the American republics believe that the preservation of peace will depend in great measure upon achieving social stability through economic justice. It also reveals what the countries of this hemisphere will expect and will ask of the United States in the way of leadership, cooperation, or assistance toward accomplishing these ends.

The Conference at Mexico City adopted statements of principle along three main lines: (1) strengthening of the existing provisions for defense of the hemisphere against aggressive action originating either inside or outside of this continent; (2) strengthening of the inter-American system along all lines, economic, social, and cultural, to the end of further increasing inter-American understanding and making inter-American cooperation more effective;² and (3) establishment of international economic collaboration designed to create what the Secretary of State has called,

"the climate of peace", compounded of economic security, rising standards of living, and freedom.

In all categories of its discussions and pronouncements the Mexico City conference made reference to social considerations. One of the six major declarations incorporated into the Final Act was an unprecedented "Declaration of Social Principles of America". Among new duties entrusted to the Pan American Union by another provision of the Conference will be the general supervision of a new inter-American agency: the Inter-American Economic and Social Council. This Agency will replace the emergency Inter-American Financial and Economic Advisory Committee which was established by the Meeting of Foreign Ministers in 1939. It is charged with the responsibility of promoting social progress and of raising the standard of living of all the American peoples. Various additional resolutions and recommendations referred to the essential rights of man, to health and labor protection, and important social principles were defined in the "Economic Charter of the Americas" and in other pronouncements on economic subjects.

The Council is empowered to undertake appropriate studies and activities, on its own initiative or at the request of any American government, and to collect and prepare reports on economic and social subjects for the use of the American republics. It will be given provisional organization by the Governing Board of the Pan American Union and will be permanently organized by the Ninth International Conference of American States. It is to maintain liaison with the corresponding organ of the general international Organization when established, as well as with specialized international agencies in its field.

Ideals, often a far reach beyond the present grasp of any country, are necessarily the substance of all social resolutions. The delegates at Mexico City fully recognized as they framed and signed the Final Act that a great deal of time and effort will be required to bring about effective implementation throughout the hemisphere even of

¹ Miss Parks is a divisional assistant in the Division of American Republics Analysis and Liaison, Office of American Republic Affairs, Department of State.

² For article on the Inter-American System by Dana G. Munro see BULLETIN of Apr. 1, 1945, p. 525.

those resolutions calling for action by the several governments on such obviously desirable matters as the combating of disease, poverty, malnutrition, and ignorance. They recognized also that a vicious circle of low standards of living and meager opportunities in home and community, attributable to various economic factors, will have to be broken in many countries, including some parts of the United States, before conditions of poverty and ignorance can be overcome.

However, practical programs have been made in the field of social betterment in the American republics in recent years. Good beginnings, with strong foundations in many lines, particularly health research and improvement and labor legislation, have been established in many of the other American republics. In the writing of new constitutions during the past few months, the legislators of Ecuador and Guatemala have shown a great deal of idealism and ambition to establish governmental responsibility and to supply the basic law for progressive social-improvement programs in those countries. The Mexican Government's far-reaching campaign to combat illiteracy in that country, begun this year under the personal directive of President Ávila Camacho, is a model of practical invention to meet the particular problems of that country so as to break down the national burden of ignorance rapidly and on a scale of endeavor never before contemplated among the backward elements of the population in the Latin American countries. A unique feature of the campaign is that every citizen who knows how to read and write is being asked by the government to teach these rudiments to an illiterate citizen. Anyone who has seen, in a small, remote Mexican town, the rapt interest with which a group of people in some corner of the market place listens to the reading of a newspaper by some *compañero* who has mastered the art, will appreciate the potentialities, vast if not immediate, of such a program, wisely accommodated to the needs of the country and the capacity of its budget.

Such demonstrations along lines of independent national endeavor can be matched by concrete accomplishments of international cooperation which have resulted from the inter-American conferences. In these meetings, the agreement upon a statement of principles, the definition of the problem in positive terms, have become accomplishments in themselves, for they provide the first, and

essential, foundation for action, while the weight of unanimity among the representatives of the several nations lends even to a commonly accepted principle a force to influence action that it would not otherwise possess.

In this sense the attention given to social questions at Mexico City is of more than ordinary significance because the Foreign Ministers and other distinguished officials who there represented the American nations participated as working delegates from the opening session until adjournment. The documents embraced in the Final Act³ thus have an authoritative character, as emanating from the highest levels of 20 governments representative of the peoples of the Americas.

Man Must Be the Center of Interest of Government

The first article in the Declaration of Social Principles of America proclaims that "man must be the center of interest of all efforts of peoples and governments". This reaffirmation of the basic thesis of democracy, in which the state is understood to exist for the benefit and protection of the citizen, and which is embraced and expounded in all the American constitutions in some form or another, was both appropriate and essential in consideration of the particular objectives of the Conference. It was appropriate, too, that a modern international document restating this thesis should be developed and signed in Mexico, whose greatest figures throughout the national history have been and continue to be profoundly concerned with the theory and achievement of social justice.

What is more significant, as we approach the transcendental subject of world organization for peace, these declarations signalize the degree of understanding which has developed among the American peoples of the direct and important relation that social problems bear to the overshadowing problems of war and peace.

In the addresses with which he opened and closed the Conference, Dr. Ezequiel Padilla, Mexico's Foreign Minister, emphasized the responsibility of the Conference to take cognizance of the social and social-economic factors which underlie international discord and which are fundamental to the conservation and future development of inter-American solidarity, understanding, prosperity, and peace. He set the tone of social responsibility subsequently expressed in the acts of

³ The Pan American Union has issued the official English translation of the Final Act signed at Mexico City.

the Conference with his initial words by saying: "What does America expect from this Conference? The first thing it expects is practical resolutions which will alleviate the misery, the abandonment, and the defenselessness of our masses; resolutions which will satisfy the deep desire for permanent security and a peace based on justice for all our peoples. If we are to emerge from this Conference more united than ever, it must be because we understand how to ennoble our solidarity in war, which has been consecrated by the devotion to liberty and the resolute attitudes of our peoples, projecting it into a solidarity in peace which will regard poverty, social insecurity, malnutrition, and unemployment wherever these things occur throughout the extent of America—in the depths of the Amazon or the mines of Bolivia, in the plantations of Honduras or the plains of Venezuela [and he might properly have added some regions of the United States]—as iniquities which are a blot not only upon the countries which suffer them but likewise upon the dignity of America as a whole. . . .

"If democracy is not an imposture it must offer security of work, fair wages, decent homes for the people; it must construct schools, hospitals, gardens, but above all, what is characteristic of democracy, it must guarantee economic security, not in terms of dictatorship and slavery but on the bases of true liberty, abundance, fair distribution, social justice, and authentic liberties. . . ."

The Secretary of State referred to the same theme in his first address to the Conference. "The United States", he said, "intends to propose and support measures for closer cooperation among us in public health, nutrition, and food supply, labor, education, science, freedom of information, transportation, and in economic development. . . ." Regarding the future world Organization for peace, the Secretary has said: "A major task of the world Organization will be the establishment of those economic and social conditions which make for peace. Economic rivalries, poverty, and oppression breed wars. Economic security, rising standards of living, and freedom are the climate of peace."⁵

In a later plenary session of the Mexico City conference, Dr. Jacobo Varela, former Foreign Minister and Delegate of Uruguay, referred to the

writing of the American Declaration of Independence by Thomas Jefferson, and bespoke the Conference's use of the opportunity before it to propound a "New Declaration of the Rights of Men and Women". As elements which might be incorporated in it, he defined 10 points of social justice which his country "strives to grant to its inhabitants and is ready to defend in the vaster arena" of the Americas. Many of these points were incorporated in the subsequent social resolutions of the Conference. They are:

1. The right to useful and creative labor, at the age of efficiency.
2. The right to fair pay in return for work or ideas.
3. The right to decent food, clothing, shelter, and medical care.
4. The right to security, free of fear, in old age, unemployment, or illness.
5. The right to live under a democratic system, free of irresponsible private power or arbitrary public authority.
6. The right to go and come, to talk or to remain silent, without fear of espionage.
7. The right to equality before the law and free access to justice.
8. The right to education, which prepares for citizenship, work, and the defense of a man's own interests.
9. The right to rest and recreation, and the right to take part in a progressive civilization.
10. The right to defend the Americas.

Commission on Post-War Economic and Social Problems

To deal with the social subjects before it the Conference established a Commission on Post-War Economic and Social Problems, and two subcommittees, including one on social questions. Outstanding leadership was given by the chairman of the Committee on Social Questions, Dr. João Carlos Vital of the Department of Labor of Brazil, and the committee reporter, Señor Victor Andrade, Ambassador from Bolivia to the United States. Valuable and constructive contributions were made by the representatives of Chile, Cuba, the Dominican Republic, Honduras, and Peru, and by Miss Katherine F. Lenroot, Chief of the Children's Bureau of the United States Department of Labor. The Charter for Women and Children adopted by the Conference was based on a draft

⁴ BULLETIN of Feb. 25, 1945, p. 277.

⁵ BULLETIN of Apr. 8, 1945, p. 623.

prepared by Señora Amalia de Castillo Ledón, who represented the women of Mexico in that country's Delegation.*

More than a dozen resolutions and recommendations related to and amplifying the fundamental statement contained in the Declaration of Social Principles of America, dealing with the rights and needs of man as human entity, worker, and citizen, were incorporated into the Final Act of the historic Mexico City meeting. Among them were the recommendation on free access to information, resolutions on the international protection of the essential rights of man, on prevention of unemployment, and against racial discrimination, recommendations on international cooperation for the promotion of health security, and a charter for women and children. Forward-looking pronouncements on labor rights and the achievement of rising standards of living were written into the Economic Charter of the Americas, adopted by the Conference.

The "Vital Resources of America"

Dr. Vital of Brazil deserves a very large measure of credit for the Declaration of Social Principles. The document was prepared by the commission under his chairmanship. The declaration takes cognizance of the necessity of protecting, as vital resources of America, the health, intelligence, character, and economic and social opportunity of the American peoples, just as the material resources of the nations must be safeguarded by adequate internal and international provisions of law.

Opening with the statement that "one of the essential objectives of the future international organization is that of obtaining international cooperation in the solution of social problems, directed toward the improvement of the material conditions of the working classes of all countries", the Declaration calls on the American governments to ratify and incorporate effectively into the life of their peoples the principles already adopted by various International Labor Conferences, to develop integrated programs of social security, and to establish a flexible minimum wage in order to protect and increase the purchasing power of the worker in accordance with changing conditions.

The declaration proclaims the determination of the nations of this continent to "encourage the

vital, economic, moral and social rehabilitation of the American peoples, evaluating them as human beings, increasing their capacity to work and broadening their consuming power, in order that they may enjoy a life that is better, happier and more useful to humanity".

It deals with the duties of governments with regard to maintaining humane labor conditions; protecting the family as a social unit; combating and overcoming poverty, malnutrition, sickness, and ignorance; supervising and aiding social and economic initiative by encouraging private action in the promotion of education, public health, social assistance and welfare; assuring general access to the articles essential to life, such as adequate food, healthful housing and clothing; assuring labor conditions and compensation which will guarantee the well-being and prerogatives essential to human dignity.

The declaration recommends to the American governments the adoption of comprehensive social and labor legislation, on a scale not lower than that established by the conventions and recommendations of the International Labor Organization. Specific reference is made to provisions for minimum wages, maximum working hours, regulation of the work of women and minors, hygiene and industrial safety, maternity protection, and liability-compensation insurance. The declaration postulates recognition of the right of workers to organize, the right of collective bargaining, and the right to strike.

Particularly with regard to future social-security development, the declaration calls for inter-American cooperation. It recommends that all the American governments support the Permanent Inter-American Committee on Social Security created at Santiago, Chile, in 1942, and it recommends facilitation of interchange of information and technical services.

Finally, the declaration recommends that the Inter-American Juridical Committee be entrusted with the preparation of an "Inter-American Charter of Social Guarantees". This charter will be submitted for consideration and approval by the Ninth International Conference of American States, to be held at Bogotá in 1948.

* A special article on the part taken by women representatives in the Mexico City conference and the resolutions relating to women and children adopted there will appear in a later issue of the BULLETIN.

Free Access to Information

Of all the conference pronouncements dealing with the rights of man, that one on free access to information has received widest acclaim, partly, of course, because of the emphasis given it by the press.⁷ In this declaration the Conference recommended that the American republics recognize the essential obligation to guarantee their people free and impartial access to sources of information; that they withdraw censorship and press and radio control made necessary by the war at the earliest possible moment; that they take measures to promote free exchange of information among their peoples; and that they make every effort to establish the principle of free transmission and reception of information, through books, press, radio, or any other means, when the restoration of juridical order in the world is assured.

These recommendations arise from the belief that the progress of mankind depends on the supremacy of truth among men, that vigilance is necessary to assure a peace which will defend and protect the rights of all men everywhere, and that freedom of expression of thought is an essential condition to the development of an alert public opinion which will guard against any future attempt at aggression.

Health Security

The Conference gave special attention to the importance of health as well as social justice in the development of enlightened citizenship among the broad masses of population of the Americas. It declared that the obligations and rights of citizenship cannot be efficiently fulfilled when large parts of the population are ill, in precarious health, or undernourished; that stability and economic development require the strengthening of the vital forces of the American nations; and that the improvement of public health, nutrition, and food supply constitutes an essential factor in raising the standards of living and increasing the productivity of the American republics. These truths are well understood by the governments of the other American republics. Nutrition studies in this hemisphere have been proceeding for some time and current programs for the modernization

of agricultural methods include plans for diversification of food crops which will supplement the limited number of traditional crops of various regions, accompanied by the spreading of knowledge regarding the nutritional value of the new foods and the improvement of yield through better methods of plant selection and care.

The Mexico City resolutions give the added strength of inter-American endorsement to undertakings already in progress in individual countries, while recommending that all of the American republics give preferential attention to public-health problems and intensify the mutual aid they have been giving in all pertinent aspects of public health. The Conference also recommended the continuance of the Pan American Sanitary Bureau as the general coordinating sanitary agency of the American governments, to be provided with adequate economic support and qualified personnel.

The Economic Charter of the Americas

In writing the Economic Charter of the Americas, and related statements, the Mexico City conference fully demonstrated America's awareness of the necessity for providing a firm economic basis for political peace.⁸

A statement by Edward S. Mason, deputy consultant to the United States Assistant Secretary of State for economic affairs, William L. Clayton, who also attended the Mexico City conference, very succinctly presents the background of thought which inspired the economic charter. "The yearning for peace and the desire for economic well-being", says Mr. Mason, "are the two most powerful forces which will shape the post-war world. The strength and universality of these ideas are rooted in the two central events of recent years—the greatest depression in modern times and the greatest war in history. . . ." The charter and other pronouncements of the Mexico City conference reflect the full truth of this estimate so far as the peoples of the American republics are concerned.

To prevent a recurrence of the stark tragedy of mass unemployment, the Conference recommended that the governments of the American nations draw up detailed plans, including public-work programs and other projects for productive purposes designed to prevent the unemployment of human and material resources, with all its injurious consequences. These plans are to be sub-

⁷ BULLETIN of Mar. 18, 1945, p. 451.

⁸ For the economic aspects of the Conference, see article by H. Gerald Smith, BULLETIN of Apr. 8, 1945, p. 624.

⁹ BULLETIN of Apr. 8, 1945, p. 616.

mitted to the Inter-American Technical Economic Conference, which will compose them into coordinated over-all proposals on an inter-American basis for minimizing fluctuations in economic activities.

At the same time that the Conference entrusted this and similar responsibilities to the coming Inter-American Technical Economic Conference, it supplemented the instruction with a social-responsibility clause, so to speak. In a special resolution on social questions, the Conference recommended that the Technical Economic Conference give special attention to questions of a social character, including methods of making effective the Conference's resolutions on labor standards, social security, and social welfare.

Social Aspects of the Economic Charter

Finally, in the Economic Charter itself, which was second in importance only to the Declaration of Chapultepec among instruments of the Mexico City conference, the governments of the Americas were once again called upon to recognize and defend the rights of man, as they work for the material progress of the community, and attention is focused upon the significance of the individual in the development of national economy. In the opening sentence the charter states that "the fundamental economic aspiration of the peoples of the Americas, in common with peoples everywhere, is to be able to exercise effectively their

natural right to live decently, and work and exchange goods productively, in peace and with security."¹⁰

Further on the Economic Charter declares that "the basis of rising levels of living is found ultimately in enabling the individual to reach his maximum productivity". To this end it calls for fair labor practices and recognition of labor's right to organize and bargain collectively as fundamental to enabling peoples to take their place in an expanding international commerce. In the concluding paragraphs of this great document, the American republics declare their guiding principles. The first of them is "To direct the economic policies of the American Republics toward the creation of conditions which will encourage . . . the attainment everywhere of high levels of real income . . . in order that their peoples may be adequately fed, housed, and clothed, have access to services necessary for health, education, and well-being, and enjoy the rewards of their labor in dignity and in freedom."

This charter and the supplementary statements embodied in the Final Act of the Mexico City conference thus establish, perhaps more plainly and positively than ever before, the continuing adherence of the American republics to the basic tenets of their democratic philosophies and constitutions, and set forth the direction they intend to take in their endeavors to contribute to the establishment of a lasting world peace.

Notification by Germany Concerning Exchange Of Sick and Wounded Prisoners of War

[Released to the press April 18]

The War and State Departments announced on April 18 that on March 28 the German Government notified this Government through the Swiss Government that it could not undertake a further exchange of seriously sick and seriously wounded prisoners of war under the Geneva Prisoners of War Convention until two months after the completion of the necessary arrangements. The German Government did not specify what it meant by "necessary arrangements". This notification was in reply to the proposals made by this Government on March 13 for a further exchange in Switzerland on April 25. The Swiss Government agreed to the use of its facilities for the pro-

posed exchange and offered to make hospital trains available to transport the repatriates.

This Government's proposals were in accordance with its policy of endeavoring to make exchanges with Germany of sick and wounded prisoners of war as continuous a process as possible. Five exchanges have taken place with Germany since the outbreak of the war. A total of 846 sick and wounded American prisoners of war were repatriated in these operations.

Further proposals will be made to Germany for an early exchange.

¹⁰ BULLETIN of Mar. 4, 1945, p. 347.

Bretton Woods: A Monetary Basis for Trade

Address by ASSISTANT SECRETARY ACHESON¹

[Released to the press April 16]

There are periods in the history of mankind that are clearly marked for great achievement. The Renaissance was such a period; the eighteenth century was another. To this generation has been given the opportunity to shape a world in which men will be freed from the scourge of war.

The task before us is difficult. The world tried before and failed. We have learned from this failure that it is not enough to set up the political machinery for peace. We must also provide a sound economic foundation for enduring peace. Countries touch each other at innumerable points in their international economic relations. We must make sure that these international economic relations contribute to the well-being of all countries, and that they do not become points of conflict which endanger peace.

The great difference in our second attempt to establish a peaceful world is the wide recognition that peace is possible only if countries work together and prosper together. That is why the economic aspects are no less important than the political aspects of the peace. That is why the Secretary of State said in his Chicago speech: "The close cooperation of the United Nations in a program for economic reconstruction and expansion . . . is fundamental to the success of the world Organization. Without it the world will be able neither to recover from the effects of this war nor to prevent the next war."²

Bretton Woods is the United Nations program for international monetary and financial cooperation. It recognizes that the prompt reconstruction of devastated countries and the development of countries that lack the modern means of production are essential to the establishment of a peaceful world. It recognizes that expanded world trade is to the advantage of all countries and that this is

possible only if we have an orderly monetary basis for trade.

The Bretton Woods program grows out of the experience of the 1920's and the 1930's. After the last war there were serious monetary disorders, with many currencies disrupted and some currencies completely destroyed. With considerable sacrifice, currencies were finally stabilized, some at the pre-war parity, others at a new parity, and still others through the establishment of a new monetary system. By 1929 all major currencies were back on the gold standard. This process of stabilization was undertaken unilaterally, each country determining its policy for itself. In some cases there were stabilization loans, and in other cases there were informal discussions among the heads of central banks. But the fact remains that each country regarded currency stabilization as its own exclusive business.

What were the consequences of this method of dealing with international currency problems? Many currencies were overvalued and some were undervalued. In these countries exchange rates were not satisfactorily adjusted to changed economic conditions. When depression came, the whole pattern of exchange rates became untenable. The raw-material countries like Argentina, Australia, and Brazil were compelled to depreciate their currencies in 1929. In 1931, Great Britain and the rest of the British Empire, nearly all of Europe, most of South America, and Japan were forced off gold. In 1934, the United States and the rest of Latin America devalued their currencies. And finally, in 1935 and 1936, the countries constituting the gold bloc were forced to abandon gold.

If countries that departed from the gold standard had cooperated to adjust their currencies to the proper level, the world might have been saved from economic disaster. Unfortunately, each country revalued its currency to suit its own interests, and there was a strong tendency toward competitive depreciation of currencies. Even worse, a number of countries used discriminatory currency devices—exchange control, multiple currencies, bilateral clearing, and other currency

¹ Delivered before the Economic Club of New York in New York, N. Y., on Apr. 16, 1945.

² BULLETIN of Apr. 8, 1945, pp. 599 and 616, and Apr. 1, 1945, p. 578. See also "Conference at Bretton Woods Prepares Plans for International Finance" by John Parke Young, BULLETIN of Nov. 5, 1944, p. 536.

tricks—to secure a larger share of a shrinking volume of world trade. No wonder that between 1929 and 1932 the value of world trade fell by nearly 70 percent; and, even after industrial recovery had taken place, the value of world trade in the 1930's remained 40 percent below the level of the 1920's.

We cannot afford to make the same mistakes in dealing with international currency problems after this war. A large part of the world, including Great Britain and the Dominions, is convinced that the difficulties of the 1920's were due to a return to the gold standard. They have stated quite bluntly that they will not return to the old gold standard. Nor is it enough to get countries to return to the gold standard, as in the 1920's. If international currency problems are dealt with by each country for itself, we must expect a repetition of the same unfortunate mistakes; and this time the consequences would be far more disastrous, for countries will employ restrictive and discriminatory practices with greater ingenuity and with increased efficiency.

The experience of the 1920's and the 1930's on international investment is equally enlightening. Throughout the 1920's this country invested freely abroad. In too many instances, loans were made without consideration of their economic soundness and of the ability of borrowing countries to meet their obligations. When the great depression came, we stopped lending almost completely, although we had an export surplus. And when the political and social disorders began in Europe, the capital flight to this country put added pressure on some currencies. After this war, we must make sure that our foreign investment is not haphazard; that loans are made only for productive projects, on reasonable terms, and within the capacity of borrowing countries to pay.

This Government has been aware of the nature of the international monetary and financial problems that would confront the world after the war. The Treasury, the State Department, and the Federal Reserve Board have been working on these problems since 1941. After two years of study within the Government, after a year of preliminary discussion among experts of some 30 countries, the United Nations met at Bretton Woods and prepared proposals for an International Monetary Fund and an International Bank for Reconstruction and Development. These proposals are now before our Congress for consideration.

Despite the technical nature of the problems with which they deal, the Fund and the Bank are quite simple. We can summarize the fundamental principles of the Fund in four short statements. First, the members of the Fund recognize that international monetary problems are an international responsibility, and they agree to deal with these problems through international cooperation. Second, the members of the Fund undertake to maintain their currencies stable and not to change the parity of their currencies except after consultation with the Fund or with its concurrence. Third, the members of the Fund agree, after the post-war transition, not to impose restrictive currency practices and to remove the restrictions they now have as soon as possible. Fourth, countries that abide by these standards of fair currency practice will be given limited help under adequate safeguards to supplement the use of their own reserves in maintaining stable and orderly exchange arrangements.

That is all there is to the International Monetary Fund. The essential features of the agreement could be stated in three or four pages. The provisions of the agreement are elaborated in great detail in order to state explicitly the safeguards that have been established to assure the proper operation of the Fund. But these technical details are not of great consequence; they do not modify in any way the fundamental principles. And it is on these fundamental principles that we must pass judgment.

It will not be possible to assure orderly international economic relations in a devastated and undeveloped world. Before the war, one half of the world's trade was done with Europe. More than half the people of the world still lack the modern means of production. Until Europe has been reconstructed, until the Far East and the American republics have built up their economies, the post-war readjustment will be half-hearted and halting.

The process of reconstruction and development must be undertaken by each country largely with its own resources, using local labor and local materials. There will be need for some foreign capital, particularly for machinery and equipment. If the necessary foreign capital is provided on reasonable terms for sound projects of reconstruction and development, it will be beneficial to the borrowing countries and to the lending countries. Sound international investment will contribute to the expansion of world trade and will facilitate

the maintenance of orderly exchange arrangements.

The Bretton Woods conference recognized that international investment is an international problem, and it proposed the establishment of an International Bank for Reconstruction and Development. The essential principles of the Bank are simple. Private international investment for sound productive projects should be encouraged. If private investors are not prepared to make worthwhile foreign loans, the International Bank will guarantee the loans, and, in exceptional cases, it will make the loans out of its own resources. Because the benefits of international investment are world-wide, all countries will share the risks of international loans through the Bank.

It seems to me that the Bretton Woods proposals provide a practical, common-sense way of dealing with urgent international problems. There is general agreement that the proposal for the Bank should be adopted as it stands. There have been suggestions that the proposal for the Fund should be amended or put off. I want to discuss the criticisms of the Fund very frankly because overemphasis of differences has led many to overlook the far broader area of agreement. I believe that the agreement on principles is broad enough to warrant general support for the adoption of the proposal for the Fund as it stands.

In his testimony before the House Committee on Banking and Currency, Mr. Burgess, the President of the American Bankers Association, said that his association agrees with the objectives of the Fund. The disagreement, he said, is solely on the methods to be used to attain these objectives. In my opinion, even the disagreement on method is not fundamental; it is very largely a matter of words—a way of saying things.

Mr. Burgess said that currency stabilization is not possible until countries have established a sound economic basis for stable and orderly exchanges. No one disputes this; we have said so in the provisions of the Fund. The agreement states that the Fund is not to accept an initial parity of a currency, if it cannot be maintained without excessive use of the resources of the Fund. The agreement states that the Fund is not to undertake exchange transactions with any member if its circumstances would lead to use of the resources of the Fund in a manner prejudicial to the Fund or its members. And the agreement states that whenever a member fails to carry out the purposes of

the Fund, including the exchange objectives, the Fund can declare that member ineligible to use the resources of the Fund.

In short, the articles of agreement say that the resources of the Fund should be used only by countries that can appropriately use these resources to promote exchange stability, to maintain orderly exchange arrangements, and to avoid competitive exchange depreciation. It is a question of words. We believe that we have said all this as clearly as can be done in an international agreement without being offensive.

Let me take up in detail some of the objections that have been made to the Fund. Critics have said that "the plan for the Monetary Fund introduces a method of lending which is novel and contrary to accepted credit principles". I am not impressed with the argument that it is reprehensible to use a new method of dealing with an unprecedented situation. But, in fact, the Fund is not novel. The United States Treasury has made about 15 bilateral stabilization agreements with 12 countries, with aggregate commitments of several hundred million dollars, and after 8 years we have not lost one dollar. The International Fund would undertake exchange operations in precisely the same way and with the same safeguards. The only significant difference is that the International Fund would operate on a multilateral rather than a bilateral basis.

The method by which the Fund makes credit available to members for stabilization purposes is not contrary to accepted credit principles. Of course, it is not done the same way a bank makes a loan to a local merchant. The Fund offers credit in limited amounts to member countries that need such credit to maintain stable exchange rates and freedom in exchange transactions. I submit that a country that in good faith abides by the principles of the Fund, that meets the tests specified in the agreement, is credit-worthy, and the aid extended to such countries is in accord with the credit principles that should govern stabilization operations.

Critics have said that the Fund is too large, that countries have plenty of reserves. Other countries now hold about 20 billion dollars in gold and official dollar balances. These reserves, though large, are very unevenly distributed, and a considerable part will have to be used for relief and reconstruction in the immediate post-war period. Of the 15 billion dollars of gold and dollar reserves that

may then be left after these expenditures, not more than 5 billion dollars would be used by countries to maintain stable exchange rates and freedom in exchange transactions. The remaining 10 billion dollars would be retained as emergency reserves for the most critical periods. Before using these funds many countries would feel compelled to adopt extreme devices to protect their last-line reserves.

The question is really whether the Fund is too large for the purposes it must serve. Provided the world is reasonably prosperous in the post-war period, we may expect total world trade of more than 80 billion dollars annually. With such a level of trade, first-line reserves aggregating 5 billion dollars for all other countries, particularly as such reserves are now distributed, would be inadequate to deal with ordinary swings in the balance of payments. A Fund of 8.8 billion dollars would seem to be large enough to give countries confidence to use their own reserves for currency stabilization and to give them time to work out the necessary corrective measures without employing drastic restrictions.

There is one point on which there seems to be some confusion. Under the Bank, a country has a veto power over any loans made by or through the Bank in its currency. In the Fund, currency transactions are made by the Fund and no country has a veto power. There is an important reason for this distinction. Loans made through the Bank may be exchanged for any currency without restriction, and they could involve a drain on the exchange reserves of the lending country. For this reason, a country should have the privilege of determining whether it is in a position to have the loan made. On the other hand, currency sold by the Fund can be used only to make payments in the country whose currency is sold. Furthermore, each country subscribes gold, which may be used to buy any currency needed by the Fund. The sale of dollars by the Fund to make payments in the United States cannot result in a depletion of our exchange reserves. There is no reason, therefore, why a veto should be given to the United States on the sale of dollars by the Fund.

One more objection. There are said to be differences between the United States and England on the interpretation of the provisions regarding exchange rates. There is no real difference on this point. Everybody is agreed on what these provisions say and mean.

Let me put the facts in 1-2-3 order. The articles of agreement state: First, that the par value of the currency of each country shall be expressed in terms of gold or the United States dollar; second, that the maximum and minimum rates for exchange shall not differ from parity by more than 1 percent; third, that a change in parity may be made only on the proposal of the member and only after consultation with the Fund; fourth, that minor changes in parity aggregating 10 percent may be made after consultation but without the concurrence of the Fund; fifth, that on all other proposed changes the Fund shall either concur or object; and, finally, that if a member changes the par value of its currency despite the objection of the Fund, the member becomes ineligible to use the resources of the Fund and may be required to withdraw from membership in the Fund.

Now, these provisions are as clear as crystal. There can be no difference of opinion as to their meaning. The difference centers about the name that should be given to these arrangements. It has been said in England that it is not the gold standard. It has been said in the United States that it resembles the gold standard. I think it doesn't make much difference what we call it. It is an arrangement to provide stable and orderly exchange rates. We can leave the selection of the name to scholars to work out at their leisure.

As I consider the objections to the Fund, it seems to me that they are not fundamental. Nobody claims that the provisions of the Fund are perfect. That is why there is an amendment provision. For my part, I have no doubt that experience will show the need for some changes. After we try the Fund for three or four years, it will be easy enough to make any changes needed to improve the work of the Fund. And we can make the changes *then* without the risk of destroying the work already done for international monetary and financial cooperation.

The Fund and the Bank are only a part of a comprehensive program for securing a high and balanced level of world trade. The maintenance of stable and orderly exchange arrangements and the elimination of restrictive currency practices are an important first step in this direction. But we must proceed promptly with other measures to raise world trade far above the pre-war level. That is why we have asked Congress to extend and broaden the Reciprocal Trade Agreements Act. That is why we want international agree-

ments to reduce the tariff, quota, and other barriers to world trade.

The Bretton Woods proposals are the foundation of the whole structure of international economic cooperation. The Fund puts into effect the principles on stable and orderly exchange arrangements which have been the policy of the United States for 10 years. It would be tragic if the groups in this country who are firm believers in the principle of international monetary cooperation were to place themselves in the position of irreconcilable opponents of the Bretton Woods program because of small technical differences on exchange operations by the Fund.

At this time, when the United Nations are gathering at San Francisco to establish an international security organization, all of us have an obligation to consider the Bretton Woods proposals again in the light of the whole program for peace. We cannot be perfectionists. There is only one test that we should apply to the Bretton Woods proposals. Can the Fund and the Bank with intelligent management do a reasonably good job in dealing with post-war monetary and investment problems? I think the answer is "Yes". If so, we must get together in support of the Bretton Woods program.

Senate Approval of the Water Treaty With Mexico

Statement by THE PRESIDENT

[Released to the press by the White House April 18]

In voting its approval of the water treaty with Mexico, the Senate today gave unmistakable evidence that it stands firmly in support of the established policy of our Government to deal with our good neighbors on the basis of simple justice, equity, friendly understanding, and practical cooperation. By this action of the Senate, the United States and Mexico join hands in a constructive, businesslike program to apportion between them and develop to their mutual advantage the waters of the rivers that are in part common to them.

Statement by THE SECRETARY OF STATE

[Released to the press April 18]

When the Senate today by an overwhelming vote gave its consent to the ratification of the water treaty with Mexico, it brought much nearer to solution this serious water problem that has been troubling these two neighboring countries for sev-

eral decades. All that remains now is ratification by the Mexican Senate.

The treaty, which resulted from long and careful study by both Governments, provides not only for a fair allocation of the waters of the Colorado and Tijuana Rivers and of the Rio Grande, but also for administration of its provisions by an old and experienced agency, the International Boundary Commission, United States and Mexico.¹ Furthermore, in order to make effective the provisions on allocation of water, the treaty calls for the construction of storage and diversion works on the Rio Grande and the Colorado and for investigations and joint reports on flood control and related problems along the common boundary. It is, above all, a common-sense, businesslike arrangement whereby the two Governments, each doing its fair share, will cooperate as good neighbors in developing the vital water resources of the rivers in which each has an equitable interest.

The Senate in approving the treaty exercised its constitutional privilege of advising the President on treaties by incorporating in the resolution of ratification some reservations which clarify certain provisions but do not impair the rights and obligations of the United States under it. This is an excellent example of the close cooperation existing between the legislative and executive branches of the Government. I am sure that this cooperation will continue in the future.

¹ BULLETIN of Feb. 25, 1945, p. 302.

Okinawa and the Liuchius

By

PAUL S. AMOS¹

Historical Introduction

ON EASTER SUNDAY 1945, American Marines and Army troops landed on Okinawa in the Liuchiu Islands. A prolonged naval and air bombardment preceded the assault and continued even as the Americans dashed ashore against amazingly light opposition.

But this was by no means the first time Americans had landed on Okinawa. Ninety-two years earlier Commodore Perry used Great Lew Chew, as Okinawa was then called, as a base for his attempts to break down Japanese seclusion. In fact, the difficulties which Perry encountered on Okinawa were a foretaste of the obstacles he encountered in Japan. The Regent of Liuchiu was also anxious to exclude the foreigner. In their policy of exclusion the Liuchiuns had not been altogether successful even before the time of Commo-

dore Perry, for Capt. W. R. Broughton of the British Navy had visited there at the end of the eighteenth century and H.M.S. *Alceste* had touched there in 1816. In the late 1840's both French and British warships visited the islands, and at about the same time a Protestant missionary, Dr. Bettelheim, moved to Okinawa. The Anglican Bishop of Victoria paid him a visit in October 1850; the Liuchiuns managed to persuade Commodore Perry to remove Dr. Bettelheim to Shanghai when Perry's squadron left Okinawa in the summer of 1854. Indeed the Liuchiuns resented all foreigners and put all manner of obstacles in the way of Perry's men's even landing at Napa (Naha), the chief port of Okinawa. But the redoubtable Perry persisted and not only procured supplies, had his men explore the island, and entertained the Regent but also extracted from the procrastinating ruler a treaty² by which Liuchiu agreed to aid

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² Compact between the United States of America and the Royal Government of Lew Chew, signed at Napa July 11, 1854; approved by the Senate Mar. 3, 1855; ratified by the President Mar. 9, 1855 (10 Stat. 1101-2; 18 Stat. (pt. 2, Public Treaties) 460; Treaty Series 194). The text of the compact follows:

Hereafter, whenever Citizens of the United States come to Lew Chew, they shall be treated with great courtesy and friendship. Whatever Articles these people ask for, whether from the officers or people, which the Country can furnish, shall be sold to them; nor shall the authorities interpose any prohibitory regulations to the people selling, and whatever either party may wish to buy shall be exchanged at reasonable prices.

Whenever Ships of the United States shall come into any harbor in Lew Chew, they shall be supplied with Wood and Water, at reasonable prices, but if they wish to get other articles, they shall be purchaseable only at Napa.

If Ships of the United States are wrecked on Great Lew Chew or on Islands under the jurisdiction of the Royal Government of Lew Chew, the local authorities shall dispatch persons to assist in saving life and property, and preserve what can be brought ashore till the Ships of that Nation shall come to take away all that may have been saved; and the expenses incurred in rescuing these unfortunate persons shall be refunded by the Nation they belong to.

Whenever persons from Ships of the United States come ashore in Lew Chew, they shall be at liberty, to ramble

where they please without hindrance or having officials sent to follow them, or to spy what they do; but if they violently go into houses; or trifle with women, or force people to sell them things, or do other such like illegal acts, they shall be arrested by the local officers, but not maltreated, and shall be reported to the Captain of the Ship to which they belong for punishment by him.

At Tumai is a burial ground for the Citizens of the United States, where their graves and tombs shall not be molested.

The Government of Lew Chew shall appoint skillful pilots who shall be on the lookout for Ships appearing off the Island, and if one is seen coming towards Napa, they shall go out in good boats beyond the reefs to conduct her in to a secure anchorage, for which service the Captain shall pay the Pilot, Five Dollars, and the same for going out of the harbor beyond the reefs.

Whenever Ships anchor at Napa, the officers shall furnish them with Wood at the rate of Three Thousand Six hundred copper cash per thousand catties; and with Water, at the rate of 600 copper cash (43 cents) for one thousand catties, or Six barrels full, each containing 30 American Gallons.

Signed in the English and Chinese languages by Commodore Matthew C. Perry, Commander in Chief of the U. S. Naval Forces in the East India, China and Japan Seas, and Special Envoy to Japan, for the United States; and by Sho Fu ling, Superintendent of Affairs (Tsu Iikwan) in Lew Chew, and Ba Riosl, Treasurer of Lew Chew at Shui, for the government of Lew-Chew, and copies exchanged, this 11th day of July, 1854. or the reign Hien fung, 4th Year, 6th moon, 17th day, at the Townhall of Napa.

M. C. PERRY

shipwrecked American mariners, to sell provisions to American ships, to allow American citizens to ramble about the islands (as long as they were law-abiding), to protect American graves, and to provide pilot services for a stated fee. This treaty was duly approved by the Senate of the United States and ratified by President Pierce.

For some hundreds of years before the coming of Commodore Perry the Liuchiu Islands had paid tribute to both China and Japan. In fact the Liuchius had been paying tribute to China ever since 1372 and to the Japanese feudal state of Satsuma since 1451.

In 1609 the King of the Liuchiu Islands was captured by the Japanese feudal baron of Satsuma, and thereafter the Liuchius were considered as practically a protectorate of Satsuma. In 1874 Japan sent an expeditionary force to Formosa and demanded an indemnity from China for the killing in Formosa of some shipwrecked Liuchiuans. This dispute was settled by a formal agreement signed at Peking in 1874 in which China undertook not to "impute blame" to Japan in protecting "its own subjects" and promised to compensate the families of those who were killed.³

Liuchiu continued to pay tribute to both China and Japan until the 1870's, when the Japanese forbade the King of Liuchiu to send any more tribute-bearing missions to China. But the King of Liuchiu sent a close relative to Foochow on such a mission, and local Foochow officials referred the matter to Peking. The Tsungli Yamen, as the Chinese Foreign Office was then called, instructed its Minister in Tokyo to make inquiries at the Japanese Foreign Office. Thus began a long diplomatic controversy between China and Japan over the Liuchiu Islands. In February 1879 the Chinese Minister to Japan reported that the Japanese Government had forced all Liuchiu agents in Japan to return to Liuchiu and that Matsuda, a Ministry of Interior official, had established a local Japanese government in the Liuchius. Matsuda also forced the Liuchiuan King to sign a promise not to seek Chinese intervention and to adopt the Japanese calendar.

In April 1879 Japan announced the formal annexation of the Liuchius, and the Japanese Minister in Peking refused absolutely to discuss the matter with the Chinese, since he considered it an internal Japanese question. The Chinese requested the good offices of ex-President Grant of the United States, who was then on a visit to the Far East.

Grant conferred on the matter with high officials both in Japan and in China and then suggested that the whole question be settled by direct negotiations. In accordance with this suggestion a Sino-Japanese conference was held at Peking in 1880. The negotiations took place at a particularly advantageous time for the Japanese, because China was distracted by a dispute with Russia over Ili, a district of northwestern Chinese Turkestan. The Japanese insisted that a commercial most-favored-nation clause be part of the settlement. The conference drew up an agreement providing that the two southern islands should be Chinese, that there should be a mutual most-favored-nation clause, and "that negotiations between the two nations should take place if either should modify its treaties with other powers in respect to tariff and extraterritoriality."⁴

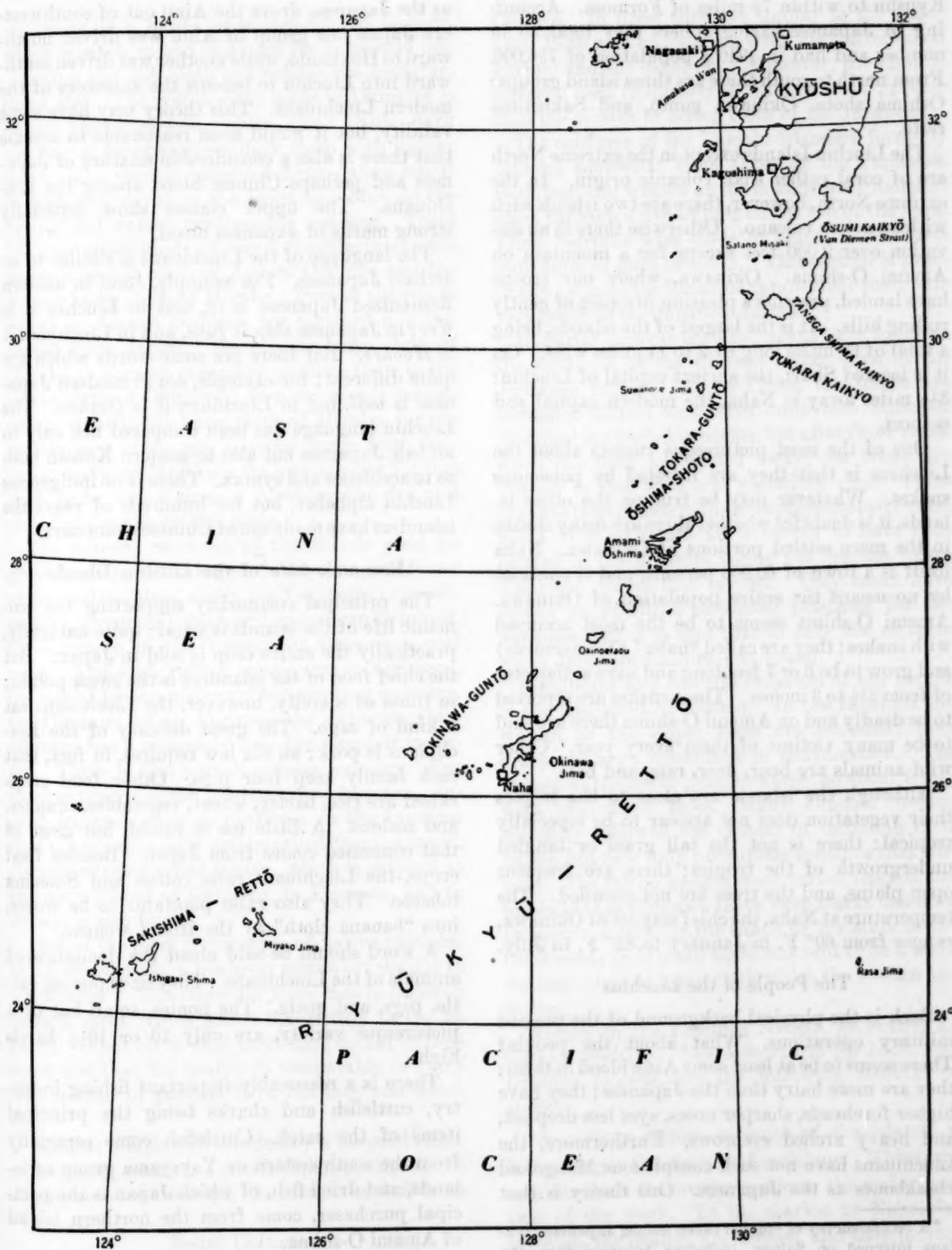
Though the Tsungli Yamen was satisfied with this solution, the Chinese court was more doubtful. Li Hung-chang, a leading Chinese statesman, argued against ratification. The court submitted the agreement to the viceroys and governors of the coastal provinces and received varying answers. Because of non-ratification by the Chinese, Shishido, the Japanese Minister, withdrew from Peking. But negotiations continued until 1882 when the Liuchiu question was overshadowed by a sharp Sino-Japanese dispute over Korea, and Li is reported to have recommended that the "question be left alone for the time being".

Geography, Fauna, and Flora of the Liuchiu Islands

What of the geography of this string of Oriental islands where American marines and soldiers have landed? For one thing there seem to be no less than 20 different ways to spell the name of these islands: Lew Chew, Lexio, Lequeo, Lequeyo, Loqueo, Liuchiu, Liu-Kiu, Likiou, Liqueo, Liq-uieux, Lekeyo, Lieoo-Kieoo, Leiu-Kieu, Likeo, Lieuchieux, Loo Choo, Riu-ku, Riukiu and Ryūkyū. The last one is the Japanese Romanized spelling. The Liuchiu Islands, as we shall call them, stretch in a curve, outward toward the Pacific, for hundreds of miles from 80 miles south of

³ Great Britain, Foreign Office, *British and Foreign State Papers, 1874-1875* (London: William Ridgeway, 160, Piccadilly, 1882), vol. LXVI, p. 425.

⁴ T. F. Tsiang, "Sino-Japanese Diplomatic Relations, 1870-1894", *Chinese Social and Political Science Review*, April 1933, vol. XVII, no. 1, p. 50.



MAP OF THE LIUCHIU (RYŪKYŪ) ISLANDS

Kyushu to within 75 miles of Formosa. According to Japanese cartographers they total 55 in number and had in 1940 a population of 756,000. From north to south there are three island groups: Oshima shoto, Okinawa gunto, and Sakishima retto.

The Liuchiu Islands except in the extreme North are of coral rather than volcanic origin. In the extreme North, however, there are two islands each with an active volcano. Otherwise there is no elevation over 2,000 feet except for a mountain on Amami O-shima. Okinawa, where our troops have landed, presents a pleasing prospect of gently rolling hills. It is the largest of the islands, being a total of 63 miles long by 2 to 14 miles wide. On it is located Shuri, the ancient capital of Liuchiu; 3½ miles away is Naha, the modern capital and seaport.

One of the most picturesque rumors about the Liuchius is that they are infested by poisonous snakes. Whatever may be true on the other islands, it is doubtful whether there are many snakes in the more settled portions of Okinawa. Naha itself is a town of 60,000 persons, and it contains by no means the entire population of Okinawa. Amami O-shima seems to be the most accursed with snakes; they are called "habu" (Trimersurus) and grow to be 6 or 7 feet long and have a diameter of from 2½ to 3 inches. These snakes are reported to be deadly and on Amami O-shima there are said to be many victims of them every year. Other wild animals are boar, deer, rats, and bats.

Although the islands are close to the tropics their vegetation does not appear to be especially tropical: there is not the tall grass or tangled undergrowth of the tropics; there are frequent open plains, and the trees are not crowded. The temperature at Naha, the chief seaport of Okinawa, ranges from 60° F. in January to 82° F. in July.

The People of the Liuchius

Such is the physical background of the present military operations. What about the people? There seems to be at least some Ainu blood in them; they are more hairy than the Japanese; they have higher foreheads, sharper noses, eyes less deep-set, and heavy arched eyebrows. Furthermore, the Liuchians have not such conspicuous Mongoloid cheekbones as the Japanese. One theory is that

* A recent survey of opinion taken among Japanese civilians interned on Salpan, including Japanese from the main islands and the Liuchians, indicates that both groups believe that the latter are Japanese.

as the Japanese drove the Ainu out of southwestern Japan one group of Ainu was driven northward to Hokkaido, while another was driven southward into Liuchiu to become the ancestors of the modern Liuchians. This theory may have some validity, but it would seem reasonable to assume that there is also a considerable mixture of Japanese and perhaps Chinese blood among the Liuchians. The upper classes show especially strong marks of Japanese blood.*

The language of the Liuchians is similar to an archaic Japanese. For example, *hand* in modern Romanized Japanese is *tē*, and in Liuchiu it is *Kee*; in Japanese *ship* is *fune*, and in Liuchian it is *Hoonee*. But there are some words which are quite different; for example, *sea* in modern Japanese is *umi*, but in Liuchian it is *Ooshoo*. The Liuchiu language has been compared not only to archaic Japanese but also to modern Korean both as to accident and syntax. There is no indigenous Liuchiu alphabet, but for hundreds of years the islanders have made use of Chinese characters.

Economic Life of the Liuchiu Islands

The principal commodity supporting the economic life of the islands is sugar; quite naturally, practically the entire crop is sold in Japan. But the chief food of the islanders is the sweet potato; in times of scarcity, however, the Liuchians eat a kind of sago. The great delicacy of the Liuchians is pork; an old law requires, in fact, that each family keep four pigs. Other food crops raised are rice, barley, wheat, vegetables, oranges, and melons. A little tea is raised, but most of that consumed comes from Japan. Besides food crops, the Liuchians raise cotton and Satsuma tobacco. They also raise plantains to be woven into "banana cloth" by the island women.

A word should be said about the domesticated animals of the Liuchians. They have ponies, cattle, pigs, and goats. The ponies, small but of a picturesque variety, are only 10 or 10½ hands high.

There is a reasonably important fishing industry, cuttlefish and sharks being the principal items of the catch. Cuttlefish come especially from the southwestern or Yayeyama group of islands, and dried fish, of which Japan is the principal purchaser, come from the northern island of Amami O-shima.

Manufacturing in the Liuchius is mostly on a handicraft scale; the outstanding product of the

craftsmen is a hardy vermilion-colored lacquer, which is much valued in Japan for household use.

Cotton and silk cloth and pongee are manufactured also. The cotton cloth made in Okinawa is either *shirogasuri*—a white cloth with dark marks—or *kurogasuri*—a dark cloth with lighter spots. The yarn is imported from Japan but it is dyed and woven in the Liuchius. Men do the dyeing, but women perform the weaving. There are two other kinds of cloth manufactures: the *tsumugi* or silk cloth of Amami O-shima and the *jofu* or hemp cloth of Miyako. Part of the silk is raised on Amami O-shima, but much of it is imported from Japan. The *jofu* or hemp cloth of Miyako is a more expensive product than is the cotton cloth of Okinawa. In a sense, it is inaccurate to refer to the hemp cloth of Miyako, for the greater part of the raw material comes from Okinawa; however, Miyako is the logical place for this cloth to be woven since it furnishes the dye and also supplies the skilled labor.

The mineral resources of the islands yield no great wealth, but manganese deposits are found on Amami O-shima, and in the Yayeyama or southwestern group coal, gold, and copper can be mined. On Iriomoto in the Yayeyamas there is a coal mine. Although rubber trees grow on Okinawa, the island has no major rubber-growing industry. On Okinawa as on Formosa the Japanese Government has a monopoly over the camphor industry. There is also a small quinine industry. Far more extensive is the production of bananas. Indeed bananas grow so profusely in the Liuchius that the islands might well be called "banana land". Extensive commercial timber, which is shipped to the main island of Okinawa, to Formosa, and to Japan, is also found.

One of the most picturesque of native products is the *adamba* hat, a headgear somewhat similar to a "panama". The straw for these hats is obtained from a shrub which grows luxuriously in the islands. Some claim that these hats do not change color and that the quality is comparable in every way to that of panama hats, but they cost much less.

Another unique native industry is the production of *awamori*, which is a native liquor similar to the Japanese sake; *awamori*, like sake, is brewed from rice.

Social Customs

The Liuchiuans have, of course, absorbed many of their social customs from the Japanese and

Chinese. In dress they are similar to the Japanese: Both men and women wear the conventional kimono and the usual obi. However, the kind of material used frequently is "banana cloth", rather than the *momen* or cotton cloth of the Japanese.

The coiffures of the Liuchiu islanders formerly differed somewhat from those of the Japanese. Both men and women of the islands wore hairpins stuck through a roll of hair on the top of the head. These hairpins were made of brass or wood and sometimes of gold or silver. This custom is practically extinct; the Liuchiuans now wear their hair very much in the Japanese fashion.

In burial customs the Liuchiuans have followed the examples of the Chinese rather than of the Japanese culture. As in China the tombs are horseshoe-shaped structures built into hillsides. The dead are buried in coffins, but after three years, when the flesh has rotted away, the bones are washed in rice wine and placed in urns. These urns are then placed in the horseshoe-shaped tombs. Some of these tombs are reported to have been located in the hillsides facing the beaches where American forces first landed. They could have served as excellent defensive positions for the Japanese, but it is said that in only one of them was a Japanese machine-gun found.

Significant as a cultural criterion of any people is the treatment of women. In the Liuchius the women of the upper class are secluded; they are never even mentioned in conversation. The women of the lower class, however, go about freely with uncovered faces. Many Liuchiu women formerly followed the custom of tattooing their hands, but now only prostitutes continue that custom. The tattoo designs used varied from island to island: On Okinawa there were marks denoting an arrow, a bow, or the shape of the stars in the firmament; in Miyako there was said to be a mark for each piece of hemp cloth which the woman had woven.

Women in the Liuchius occupy, generally, an inferior position. Leavenworth in his book, *The Loochoo Islands*, has the following remarks to make:

"A curious custom in some of the islands is interesting to the student of sociology. This is the way in which the women perform the major portion of the work. In the market at Naha, for instance, the dealers are women, and they present a picturesque sight, with their giant umbrellas ready to spread in case of rain. The husbands,

very likely, are at home drinking tea or smoking. This strange custom, however, the writer was informed, is gradually dying out. Both the women and the men may be seen in the fields cultivating the land."

It can certainly be said that in their attitude toward women the Liuchiuans have not been greatly influenced by Occidental Christian standards. The Liuchiuans seem relatively free of the influence of any religion. A few Buddhist temples and Confucian shrines and the inevitable Shinto places of worship are found in all places of Japanese rule. The Buddhist priests are useful at funerals and other ceremonies; but the Liuchiuans generally show no great religious fervor.

Outstanding in native architecture is the Yenka-kuji, a Buddhist temple of considerable size and beauty at Shuri. Whether this temple has with-

stood the American naval and air bombardment is problematical. There also are, or were, a number of temples and other public buildings in Naha. Private houses are usually light structures with either thatch or tile roofs.

Conclusion

The Liuchiu Islands have been referred to as a land of propriety; and indeed this description seems very apt. There is little record of crime. Since the start of the American invasion our military-government officers have found the Okinawans surprisingly tractable and ready to accept guidance. One reason for this attitude is that the Japanese have not always treated the Okinawans as equals. It will perhaps be a surprise as well as a disappointment to the Japanese if all the Liuchiu islanders show a spirit of cooperation toward the American newcomers.

Renewal of Trade Agreements

*Statement by THE SECRETARY OF STATE*¹

[Released to the press April 18]

Once again, and this time on the very threshold of a momentous international conference to organize the world for peace, this committee is called upon to review one of the essential elements in the foreign policy of the United States—the reciprocal trade-agreements program. On four previous occasions, and each time after intensive review, the Congress has affirmed the Trade Agreements Act as fundamental to this nation's economic policy of enlightened self-interest based on international cooperation and an expanding world economy.

The abiding objective of our foreign policy is enduring peace in a prosperous world. The experience of two wars and a great depression has demonstrated that we cannot obtain either in isolation. We can obtain them through the concerted action of the nations of the world, and our confidence in our ability to do so results from the vital fact that the real interests of other countries are the same as ours. Peace and prosperity are desired by all the United Nations. They can, in the modern world, be obtained only by cooperation and agreed action. This is more and more becoming clear to peoples everywhere, and to their Governments. That is the solid basis on which we build our hopes.

We shall seek soon, at San Francisco, to create the permanent machinery for common action directed to both these great objectives. The institution which we hope to build will not be a super-government. Major decisions in economic matters will still rest with national authorities. It is fundamental to the success of the whole effort that those decisions shall be taken wisely.

The bill before you requires one of those decisions—one of those decisions of which President Roosevelt spoke when he said:

"The point in history at which we stand is full of promise and of danger. The world will either move toward unity and widely shared prosperity or it will move apart into necessarily competing economic blocs. We have a chance, we citizens of the United States, to use our influence in favor of a more united and cooperating world. Whether we do so will determine, as far as it is in our power, the kind of lives our grandchildren can live."²

Nothing is more important to the relations among peoples than their daily dealings in the marketplace. Trade affects the livelihood of

¹ Made before the House Ways and Means Committee on Apr. 18, 1945.

² BULLETIN of Feb. 18, 1945, p. 222.

everyone: The price of crops, the earnings of the workman, the profits of all business, the supply and price of goods on merchants' shelves. Wise and liberal trade policies create the basis of prosperity and friendship; unwise and restrictive measures mean hostility and want. These have been the teachings, through so many years, of my great predecessor, Mr. Hull. Had those counsels been heeded promptly after the last war, and put into vigorous practice by the major Allied countries, the world might well have avoided much of its present misery.

In 1917 and again in 1920 Mr. Hull gave clear warning in the House of Representatives of what would happen to the world if the major trading nations followed restrictive trade policies, and he urged that a conference of nations be called to find ways to reduce existing barriers to trade, to prevent the growth of new ones, and to agree on standards of fair competition in international trade matters. His voice was not then heeded, and it remained unheeded through the critical years that culminated in the world-wide economic chaos of the 1930's. Now, again, we are face to face with the problems of rebuilding the economy of a shattered world. Secretary Hull's counsels are as appropriate today as they were when he uttered them 25 years ago. We shall not be forgiven again if we pursue the futile course of seeking peace and prosperity on a foundation of economic isolationism.

Chairman Doughton's bill, based as it is upon 10 years of successful experience with the trade-agreements program, is one of the instruments which this Government requires to make effective the philosophy of cooperation in international economic affairs. This bill would not only reaffirm the principles of the Trade Agreements Act of 1934, but would also grant the additional authority which now is necessary to make possible a vigorous drive to expand world trade through the reciprocal reduction of trade barriers.

The authority contained in Mr. Doughton's bill would broaden and strengthen the Trade Agreements Act. But it works no fundamental change in the principle of the existing law, nor will it change in any way the administration of the law as it was established by the Congress in 1934. It was the intention of the Congress in the original law that trade agreements should be employed to expand our foreign trade by a process of hard-headed and businesslike bargaining. The act has

been administered in strict accord with this purpose and it will continue to be administered in that way.

I should like to devote most of my own remarks today to making clear the vital and basic position which the trade-agreements program occupies in our total foreign policy. But at this point I want to say a few words more about the administration of the program, for, as this Committee has always recognized, the matter of administration lies at the very heart of this plan for the promotion of our foreign trade.

"It is clear that the successful administration of the trade-agreements program requires the combined efforts and resources of various departments and agencies in the Government. The Committee is satisfied that the existing interdepartmental organization has brought the full resources of the Government to bear upon the problem in an effective and economical manner with the sole view of carrying out the policies prescribed by Congress in the best interest of the Nation as a whole. The results achieved under the trade-agreements program during the past 9 years of its operation fully support this conclusion."

This statement was a well-deserved tribute by your Committee to Secretary Hull, for his wise and patient leadership in the establishment of the smoothly functioning interdepartmental machinery by which the trade-agreements program is administered. All of us concerned with the program are determined that it will continue to be administered in the same careful and effective manner in which it has been carried out for the last 11 years.

The interdepartmental trade-agreements organization which advises and assists the President in administering the trade-agreements program has made an outstanding record of careful and expert work in formulating its recommendations to the President and in negotiating trade agreements under the existing act. The agencies which take part include the Departments of State, Treasury, Commerce, and Agriculture, and the Tariff Commission. Other departments and agencies are fully consulted when matters of interest to them are being considered. In its own field each agency contributes the best knowledge and advice available in the Government.

As required by law, advance public notice of intention to negotiate each agreement is given and

full opportunity is provided, through public hearings and otherwise, for any citizen to present facts and views which receive thorough consideration by the trade-agreements organization before negotiation is begun. The result is that no group of United States citizens finds consideration of its interests neglected in the operation of the program.

In the State Department the primary responsibility for trade agreements rests with Assistant Secretary Will Clayton, who is in charge of the economic divisions of the Department. The active direction which Mr. Clayton will give the program affords assurance of sound and businesslike administration. He brings to this assignment a lifetime of experience in foreign trade acquired both in high public office and in a successful career in private business. Under his supervision, practical experience and sound judgment will at all times govern the administration of the commercial foreign policy of the United States. I know that he welcomes the opportunity which these hearings provide to lay before the Congress his views on the many detailed and technical problems in which you are interested.

I wish to turn now to the broad question of our foreign policy as a whole and the relation of the trade-agreements program to it.

At San Francisco we and the other United Nations will undertake to set up a framework of security within which countries can abandon the harmful economic practices into which they were led by the fear of aggression. We shall also serve notice upon would-be aggressors that it is futile for them to follow policies of economic warfare and narrow nationalism in an attempt to build up strength for war. But all our consultation and planning will come to nothing unless we take positive action to make our plans into accomplishments.

A resolute attack on restrictive trade barriers throughout the world—an attack such as would be made possible by enactment of the legislation proposed here—would give the rest of the world a symbol and a tangible proof that we mean what we say about joining with other nations in working toward a more prosperous and a more secure world, and that we are determined not to repeat the mistakes that were made after the last war.

The assault on trade barriers—and I quote—“is no longer a question on which Republicans and Democrats should divide. The logic of events and our clear and pressing national interest must over-

ride our old party controversies. They must also override our sectional and special interests. We must all come to see that what is good for the United States is good for each of us, in economic affairs just as much as in any others.”¹

These are the words of Franklin Delano Roosevelt, written shortly before his death.

With victory we shall face domestic and international economic problems of a magnitude it is scarcely possible to overestimate. In this country we shall have to reconvert our greatly expanded productive capacity, which has been developed, harnessed, and directed toward the one aim of victory. We shall have to provide jobs and wages and material goods for as many people as possible and in the greatest possible quantities.

To this end it is our firm intention to relax and remove the wartime controls of production and distribution, as quickly as it is safe and possible to do so. We shall do this because, for the United States at least, the system of freely competitive private enterprise can and does provide the most jobs and the maximum volume of production.

But the reconversion problem of the United States, great as it may be, will be far less difficult than the post-war problems of many other countries whose plants have been wrecked, credit exhausted, markets disrupted, and manpower depleted. And we know that our American problem is not independent of the problems of other countries. To us as well as to them it is of the utmost importance that the channels of foreign commerce be reopened and that goods be exchanged in large volume in order to speed the process of economic reconstruction and conversion.

Rising standards of living in every part of the world are dependent in large measure on our ability to bring world trade out of the trough of 1930's. When farmers and workers are allowed to produce what they can make most efficiently, and to trade their goods widely for the output of others, then everyone has more to eat, more to wear, more to enjoy. Freedom from want is not an impractical dream, incapable of being realized in our time; it is a realistic goal, fully within the range of our productive skills and technologies.

If, however, we mean to bend our efforts to banish want, we must attack, vigorously and persistently, those barriers to trade which have the effect of penning up poverty within national borders.

The world has never before been so eager to ac-

¹ BULLETIN of Apr. 1, 1945, p. 533.

quire the products of our fields and factories. The demand for our goods will rise just as fast as we permit foreign countries to earn the dollars to pay for them. The size of our foreign market is not determined by the operation of mysterious and inscrutable forces; we can decide that we want a larger foreign market, and we can make it larger by allowing other countries to earn more of our money to buy more of our goods. The reciprocal trade-agreements mechanism is the best way we have yet found to negotiate such an increase in two-way trade with the nations which share our economic objectives. Trade is simply a way to increase the real income of both participants; and the trade-agreements plan is our method of increasing well-being and prosperity at both ends of the bargain.

The trade-agreements idea is more, however, than a procedure for bringing more goods to more people. It serves another, and perhaps a more important purpose. The reduction of excessive barriers to trade is one part, a very crucial part, of the task of creating the kind of economic order which is most conducive to the maintenance of peace.

Economic distress, wide-spread and enduring, is a menace to the preservation of political freedom. We who have been through the ghastly events of the last decade cannot be blind to the danger that men who suffer and lose hope will trade their freedom for totalitarian promises. Totalitarianism thrives on suffering, for hungry men are desperate men, and desperate men are sensitive to the appeals of demagogues.

No country can safely ignore the decline of liberty and the emergence of totalitarian government in a neighboring country. Bitter experience has taught us that totalitarianism is too often associated with sudden armed aggression. When freedom is buried, it is too late to take preventive measures. Wisdom in international relations demands that we strive to organize the world for prosperity, for prosperity is one of the strongest bulwarks of freedom. Expanding world trade serves the cause of peace as it serves the cause of prosperity, for to serve one is to serve the other.

The bill which you are now considering is thus an essential instrument in securing the expanding foreign trade which this nation and the world requires if we are to achieve our goals of peace and prosperity. That is not to say that this measure alone will enable us to place world trade on a

sound basis. Closely related in the whole structure of our planning are the Bretton Woods proposals and the Food and Agriculture Organization which are also under consideration by Congress.

The International Bank for Reconstruction and Development will promote the economic recovery of some of our best potential customers abroad and the development of the resources of other countries which can also contribute greatly to world trade if they have the money. The International Monetary Fund will facilitate stabilization of currencies, without which we cannot hope for a sustained and thriving world commerce. The Food and Agriculture Organization will assist the United States and other countries to develop improved methods of producing and distributing food and agricultural products and to achieve higher standards of nutrition and greater consumption.

Taken together, these measures and the broadened Trade Agreements Act will give us the machinery we need to begin the work of substituting cooperation in international economic affairs for the isolationism and economic warfare which prevailed during the period between the two wars.

Only two courses are open to us. Either we cooperate with other countries on a broad basis to improve economic conditions generally and to obtain security, or we seek to withdraw into a regimented, restricted, and unsatisfactory economic isolation which will again produce the menace of world-wide economic disaster and war. Surely there can be no question which course we mean to choose. Yet the economic pressures which would force us into the disasters of economic isolationism are still active.

Only by vigorous and positive measures, taken in cooperation with other nations, can we prevent these pressures from forcing both ourselves and other countries down the path toward new restrictions, new barriers, new attempts at self-sufficiency. Only such action can avert the development of regional economic blocs or commercial alliances, aggressive or defensive. Only the establishment of a system of international economic relationships which will prevent the use of such devices will make it possible to build an enduring peace.

Our course was set for us by President Truman when he said to the Congress on Monday:

"We have learned to fight with other nations in common defense of our freedom. We must now learn to live with other nations for our mutual good. We must learn to trade more with other

nations so that there may be—for our mutual advantage—increased production, increased employment, and better standards of living throughout the world.”¹

The United States has much to gain by adopting such a policy as exemplified, in part, by the trade-agreements program. It has even more to lose by taking an opposite course. The first objective

of American Government policy at home or abroad, in the economic or in any other field, is the welfare of American citizens. In my judgment, few measures which the Congress will consider at this session will so greatly promote the interests of the citizens of this nation as your chairman's bill to renew and strengthen the Trade Agreements Act.

Statement by ASSISTANT SECRETARY CLAYTON²

[Released to the press April 18]

The bill which is before this committee would accomplish the renewal and strengthening of an act of Congress which is now 11 years old.³

The reciprocal trade-agreements program has become a part of the economic history of the United States.

Over the past decade there has grown up around this program a record of legislative debate, newspaper comment, books, pamphlets, magazine articles which must run into millions of words.

The administration of the Trade Agreements Act has been subjected to the most searching scrutiny; on the three previous occasions when this act came before the Congress for renewal, friends and foes alike have had a full opportunity to make their views known. As a result, the American people are remarkably well informed on the terms, purposes, and achievement of this act, and their views, pro or con, are largely crystallized. Most people, by now, know where they stand on the reciprocal-trade-agreements question.

I wish that this were not so. I say this despite the belief, which I think is borne out by the record, that the great majority of the American people are favorably inclined toward the trade-agreements program.

I believe that all of us would profit from an effort to look at this bill, not in terms of what we thought about reciprocal trade agreements in 1934, 1937, 1940, and 1943 but as a new instrument for use in the world of tomorrow. For it is, in fact, a new instrument—made so not by new language but by a new world. Those who judge the trade-agreements program solely in the context of its

pre-war operation are likely to miss the new and portentous meaning of this idea. Actually, the trade-agreements plan was born, in 1934, into a world that was even then headed toward war. The Japanese had struck at China three years before, and Hitler was firmly in power. Economic warfare had already turned the world economy into a jungle of excessive tariffs, quotas, embargoes, subsidies, licenses, exchange controls, clearing-agreements, barter deals, preferences and discriminations of all kinds.

The Reciprocal Trade Agreements Act was a bold and far-sighted effort to stem the tide of economic nationalism. Under the wise and patient leadership of Secretary Hull we were able, by using the bargaining authority granted in the act, to moderate many of the more extreme practices of trade restrictionism and to provide a strong stimulus to the growth of our foreign trade.

The record of achievements under the act was carefully studied by this Committee two years ago and is generally well known. Trade agreements have been negotiated with 28 countries, and hundreds of concessions have been obtained and given. Over 65 percent of our normal foreign trade is carried on with trade-agreement countries. These countries have made concessions on 73 percent of their agricultural imports from us and on 48 percent of their non-agricultural imports from us. Between the years 1934-35 and 1938-39 our exports to non-trade-agreement countries rose by only 32 percent, while our exports to trade-agreement countries rose by 63 percent. Likewise, our imports from non-agreement countries rose by only 13 percent, while our imports from trade-agreement countries rose by 22 percent.

This is a remarkable record, but it is all the more remarkable in that it was accomplished in an era of world economic disintegration. It is a tribute to the trade-agreements program and to the men in the various departments of the Government

¹ See p. 723.

² Made before the House Ways and Means Committee Apr. 18, 1945.

³ BULLETIN of Apr. 1, 1945, pp. 531 and 534, and Apr. 8, 1945, p. 645.

who guided it that these impressive achievements were realized against such great adversity.

Thus in the years before the war the trade-agreements program was an instrument for defense against an epidemic of destructive and demoralizing trade warfare. Today, with the end of the great holocaust finally within sight, this same instrument is transformed into a powerful device for shaping a better world. This I believe is the new meaning of the trade-agreements program as it comes before the Congress for its fourth renewal.

The terrible events of the last six years have worked profound changes in the minds and spirits of people in every corner of the world. The people are sick of war and sick of the narrow economic practices which undermine material well-being, generate international friction, and set the stage for war. Minds are being cleared of old prejudices and old suspicions; everywhere there is a yearning for a new age of peace and prosperity rooted in international friendship and cooperation. Perhaps never again in our lifetimes will there be a time so auspicious as now for helping to build a world in which men may have the opportunity to live out their lives, free from fear and free from want.

All eyes look to the United States for leadership in this task of world reconstruction. At this juncture in world history we find ourselves in a unique role which entails grave responsibilities. We have become so important to the world, both politically and economically, that no plan for the future is more than an architect's dream without the approval of the United States.

After the war we shall have over half of the world's industrial capacity; we shall be the greatest creditor nation; and the world will look to us for the capital goods necessary to repair the devastation of the war. We own the greater part of the world's stock of gold. We are the greatest producer and the greatest consumer. We are the world's largest exporter, and we are the source of much of the world's technological progress. Certainly there have been few turning points in history at which a nation has been so well-equipped for leadership as we are today.

Destiny has placed us in a position to lead, and we must know where we want to go. The United Nations Conference on International Organization, which will convene in San Francisco this month, is the culmination of several years of plan-

ning for a house of nations to safeguard the peace. Secretary Stettinius, in his speech in Chicago earlier this month, filled in the framework of our plan to erect a firm economic foundation for the maintenance of peace. The need for dealing with trade barriers stands in the very center of that plan, for the creation of a healthy world economy cannot succeed in an atmosphere of exaggerated and repressive barriers to international trade.

Our purpose in the commercial-policy sphere is to move toward the goal of expanding world trade open to private enterprise, on a competitive and non-discriminatory basis.

We know of no better way than this to serve the economic interests of all peoples and to create the economic conditions which are conducive to the preservation of peace. The task will not be easy. The economic destruction and dislocation of war have raised new and serious economic problems and have put many barriers in the way of the general acceptance of the liberal trade principles we advocate. But the worst mistake of all would be to underestimate the great force of our moral leadership and to sell short the influence of the United States in world affairs.

The great strength of the reciprocal-trade-agreements idea is the implicit recognition that international trade, like all trade, is a two-way affair. No trader can sell without buying; no nation can sell abroad without buying abroad. A manufacturer or trader profits because his selling price exceeds his total costs; a nation profits because it secures better or cheaper goods abroad than at home, and pays for them with other goods, produced in excess of home requirements.

During the 11 years of the Reciprocal Trade Agreements Act this program has paid off in dollars and cents to the American farmer, businessman, and consumer.

We produce many things more efficiently than foreign countries, which we can sell to their consumers if they will permit us to do so by relaxing their governmental restriction against imports from us. They in turn produce many things more cheaply than we, raw materials, finished food-stuffs, and highly specialized manufactures—which they can sell to our consumers if we will permit them to do so by relaxing the governmental restrictions we maintain against our imports from them. The trade-agreements program is simply a means by which we and foreign countries agree to the reciprocal relaxation of governmental re-

strictions on both sides, to promote trade in both directions to the benefit of producers and consumers in both countries. This expanded two-way trade results in a net gain in production and consumption for both countries, thus creating more jobs, raising the national income and standard of living.

Such an expansion of world trade must be organized after the war if we are to solve successfully the serious economic problems which face this and other countries. We, on one hand, have created during the war an enormous capacity to produce certain industrial materials, machinery, and equipment far in excess of what we shall be able to use ourselves in peacetime. On the other hand, the reconstruction needs of those countries which have been devastated by war and the development needs of those countries whose economic progress has been retarded by war will require great quantities of capital goods and industrial materials from us. These countries will not be able to finance such purchases, however, unless we are prepared to buy from them in larger volume the goods that they produce. Through the continued use of trade agreements, foreign countries will earn the dollars to buy the products of our efficient high-wage capital-goods industries and thus assist in keeping them operating at a high level of activity.

If the Trade Agreements Act is to play its rightful role in the great work of economic reconstruction, it requires not only renewal but strengthening. In recommending to the Congress that the act be continued, President Roosevelt, shortly before his death, asked that the authority to reduce tariffs by 50 percent be strengthened by making it apply to the tariff which we maintain today rather than to the tariff which we had 10 years ago. The bill now before this Committee embodies this proposal.

The Trade Agreements Act must be strengthened if this Government is to be empowered to work for the liberalization of world trade. The proposal for increased authority, which would permit this country to reduce its *existing* tariffs, in exchange for reductions in the *existing* trade barriers of other countries, is merely another way of proposing that the program and policy of negotiating reciprocal trade agreements be continued. Simple renewal of the act, without the increased authority, would mean in effect that no important trade agreements of substantial benefit to this country could be negotiated with those foreign

countries which are the principal outlets for American exports.

A few figures will illustrate this point. The authority under the present act, to reduce duties by not more than 50 percent of 1934 rates, has been *fully* exhausted in respect of 42 percent of our total dutiable imports from all countries, on the basis of 1939 import values. The authority has been *partially* exhausted, and in many cases *almost fully* exhausted, in respect of an additional 20 percent of our total dutiable imports from all countries. Of the authority which has not been used at all, which applies to 37 percent of our dutiable imports from all countries, a considerable part relates to a type of goods formerly supplied by Axis countries, some of which authority may be unusable, because to use it would require the negotiation of trade agreements with the Axis countries.

The situation with regard to those countries which are the biggest outlets for American exports is as follows: In the case of the United Kingdom, rates of duty have been reduced, under the trade-agreements program as a whole, on about 90 percent, by value, of our total dutiable imports from that country in 1939. In the case of Canada, the figure is about 92 percent. The United Kingdom and Canada are our two largest customers. These two countries accounted for 31 percent of our total export trade in 1939. In the case of France, Sweden, and Mexico, other important peacetime buyers of American exports, rates of duty have been reduced about 70 percent, 60 percent, and 90 percent, respectively, on our total dutiable imports from those countries.

The conclusion is clear, and is particularly unsatisfactory to me as a business man: Under the act as it stands today, we are unable to negotiate to the extent required new and mutually advantageous business with our best customers. As a public servant, I would consider the failure to remedy such a situation unwise in the extreme. Only by relating the Trade Agreements Act to our present situation can we make it a fully effective device for the expansion of world trade.

The question might be asked: If the United States has largely used up the 50-percent authority in the Trade Agreements Act in reciprocal agreements with other countries, doesn't this mean that world trade barriers have now been brought down to moderate levels and therefore no further action is needed?

Even if the war had not intervened to create new

and critical trade problems for us in the future, the answer to the question would be plain. The fact is that in 1934, when the trade-agreements procedure was established, world trade had been all but extinguished by the jungle of trade restrictions, of every conceivable kind, then in force. The United States had on its books the Hawley-Smoot tariff of 1930, in which rates of duty had been raised to the highest levels in our history. Other countries, partly in retaliation for this disastrous blow at their export trade, and partly for reasons arising out of the great depression, resorted to higher tariffs and all the other paraphernalia of trade restriction which we associate with the economic chaos of the 1930's.

The authority of the Trade Agreements Act, related as it was to the nearly impassable trade barriers of 1934, was, as we have seen, not sufficient to do more than ameliorate some of the excesses of the most virulent case of trade restrictionism the world has ever experienced. As a defensive weapon, the Trade Agreements Act did its job well; but our pride in our past accomplishments should not be allowed to obscure the fact that the existing network of barriers to world commerce is still so formidable as to be utterly inconsistent with the achievement of those high levels of production and consumption to which we are all devoting our best energies.

If we were living in a stationary world, if the underlying factors affecting each nation's foreign trade remained stable, it might be possible, even without pressing forward with our trade-agreements program, to hold the gains we have already made. The post-war world, however, will not be at rest. Entirely apart from the legacy of trade restrictions which we inherit from the pre-war period, there are new and critical trade problems which have arisen as a by-product of the war and which must be resolved in one way or another.

Many nations, surveying their post-war trade prospects, anticipate serious deficits in their international balance of payments. Such deficits are remedied either by increasing exports or reducing imports. If we stand still, these countries cannot. If we fail to take strong action to make possible a solution by expansion, we shall force them to choose a solution by contraction. If these countries have no choice but to curtail their imports, the reduction of their orders from us will be felt in fields and factories in every corner of America.

That is why our existing trade agreements are

in danger, and why increased authority under the Trade Agreements Act is necessary to preserve them. For if these greater needs are not met through the further relaxation of trade barriers, the nations may be forced by the pressure of their economic circumstances to free themselves from trade-agreements obligations in order to take the actions they deem necessary to protect their economies.

What we have achieved in our existing trade agreements is a kind of truce, between this country and individual foreign countries, that in respect of the products covered by the agreements, neither of us will resort to the extreme trade measures which, before 1934, we employed in a futile effort to better ourselves at each other's expense.

If these agreements should be terminated, as almost all of them can be on short notice, this truce would be broken, and these excessive restrictions would, of course, automatically come back into operation.

There is now grave danger that this truce may be broken. Unless the United States is prepared to assume the responsibility for world leadership commensurate with its power and influence in world economic affairs, our existing trade-agreements structure may give way under the stress and strain of war's aftermath. If this should happen we may witness a resurgence of trade restrictions and international economic warfare far surpassing anything in our previous experience.

The additional authority to make new reciprocal trade agreements, which would be granted by the Congress if this bill is enacted into law, imposes serious new responsibilities upon those who would be called upon to exercise it. The power to reduce tariffs is an important power, not to be treated lightly by those who grant it or those who exercise it. The act wisely requires that no agreement be concluded before all interested persons are given an opportunity to present their views, and it also requires that information and advice be sought before the conclusion of an agreement from the government agencies most directly concerned.

Rash and ill-considered administration can turn any good law into a bad one. In my new position as Assistant Secretary of State for economic affairs, I shall have the principal responsibility for the State Department's share in the administration of this law. That is why I welcome the opportunity to discuss the administrative machinery which has been established pursuant to the

act. It is important that the Congress be satisfied that the machinery for the construction of these trade agreements is designed to eliminate every foreseeable source of error and to reduce to the absolute minimum the chance that an agreement may work an injustice on some American producing or consuming group.

I believe that it is so designed. This committee in its previous hearings has examined carefully the procedures which have been devised for the administration of the trade-agreements program. Under the conscientious and fair-minded direction of Secretary Hull, an administrative machine has been perfected which I believe to be the most equitable and scientific system for tariff determination that our country has ever known, and I strongly suspect that there is no better in the world.

Three things have impressed me most about the procedures that have been established. *First*, the technical machinery has very wisely been built entirely on an interdepartmental basis. Representatives of all the departments mentioned in the Trade Agreements Act sit on the top committee, which is known as the Interdepartmental Trade Agreements Committee, and on the numerous working subcommittees of this body. Thus, for example, with the Department of Agriculture participating intimately in all the work, there is no chance that the interests of the American farmer will be overlooked.

Second, a high-level committee, under the chairmanship of the vice chairman of the Tariff Commission, has been established to hear all parties interested in a proposed trade agreement. The functions of this body, the Committee for Reciprocity Information, are rightly regarded as one of the most important elements in the trade-agreements procedure. The late A. Manuel Fox, formerly a member of the Tariff Commission, told this committee in 1940 that "Nobody ever appears, files a brief, or sends a letter to [the Committee for Reciprocity Information] in regard to any trade agreement matter without the information so submitted being summarized and put before the people who are going to have anything at all to do with the trade agreements." That statement remains true today.

Third, a perfectly astonishing volume of information is collected and analyzed by experts before an agreement is concluded. In the case of the Belgian agreement, to take an example, the ana-

lytical data on the commodities involved filled 15 large volumes, each the size of a large telephone book. In that case, studies were made of 165 commodities on which we might have granted concessions to Belgium. The analytical information was carefully weighed and concessions were in fact granted on 47 of those commodities. This is the kind of careful, conscientious, impartial administration which inspires public confidence.

I do not wish to impose on the time of this committee with further procedural details. I do, however, wish to convey to the committee my complete satisfaction with the existing machinery of administration, which we have taken over intact from Secretary Hull. I shall be happy to work with it, for I believe that it is designed to provide every necessary safeguard to avoid injustice, and to assure that the final decisions in each case are in accord with the weight of the evidence.

We are very fortunate to have at hand, at a time when we are uniquely endowed with all the power and influence necessary to lead the world toward economic reconstruction, an instrument which has been tested and improved over the years, and in which the American people have great confidence. It has been used with caution and with wisdom, and it will continue to be used that way. It is a powerful instrument, for behind it lies the richest market in the world and an incomparable productive machine. The business men of other countries want the products of that economic machine, and they will buy them just as fast as they are permitted to earn the dollars to pay for them.

If we allow them to earn the dollars, we shall be backing up with the strongest kind of positive action our allegiance to the principles of economic liberalism and private enterprise. These principles are in the balance today, and words alone will not save them. They will survive just so long as they are able to satisfy the honest aspirations of the people of the world for economic well-being. Expanding world trade is capable of bringing a greater volume and a greater variety of goods to the people of all countries. Our way of bringing about an expansion of trade is the way of economic liberalism and private enterprise, both of which principles are embodied in the trade-agreements idea.

If this way fails—and it cannot succeed without the vigorous participation of the United States—there are other ways. There is the way of economic blocs, in which a group of nations which

cannot solve their problems by letting the rest of the world in, try to solve them by shutting the rest of the world out. There is also the way of governmental barter, in which governments take over the foreign-trade function and reduce it to the most primitive terms of direct two-way exchange of goods for goods. These are two of the ways most likely to be chosen to handle international trade if the liberal, free-enterprise system fails. Both tend in the long run to contract and restrict rather than expand international trade, and both are contrary to our deepest convictions about the

kind of economic order which is most conducive to the preservation of peace.

The extension and strengthening of the Reciprocal Trade Agreements Act would, I believe, give confidence and courage to our friends throughout the world who share our economic creed. It would be a signal for all to hear that the United States is not only the greatest advocate of expanding world trade based on free enterprise, fair competition, and non-discriminatory treatment, but is also determined to take the steps necessary to make such a system work.

Statement by ASSISTANT SECRETARY ROCKEFELLER¹

[Released to the press April 19]

I had the privilege of appearing before this committee for the first time just two years ago when, as Coordinator of Inter-American Affairs, I presented my views to you on the Trade Agreements Act. I was in favor of the act's renewal then and I am in favor of its further extension now as proposed in H.R. 2652.

Since my previous appearance before you my official duties have changed. Last December I became Assistant Secretary of State in charge, under the Secretary of State, of relations with the other American republics. My basic interest and responsibility in this position, as in my former job as Coordinator, is to further all activities, governmental and private, which will serve our country's best interests through the development of inter-American relations based on understanding, mutual trust, and confidence among all of the 21 republics of this hemisphere.

The hemisphere unity which has been achieved in this war is a priceless asset not only to us but to each one of the other republics. This unity is not the product of mere words. It is made up of countless instances of *doing* things together, of working out problems to our mutual best interest through joint efforts and common agreement. That's the essence of international cooperation in action. The record shows not only that it works, but, perhaps even more important, the record here in the hemisphere shows that in reality it is the *only* policy that works. You simply cannot get unity by either force or purchase—you work it out together, or you just don't get it. Simple as it sounds, it is not an easy course to follow. But the record is clear—there's no short cut. We and the other American republics have worked out to-

gether some difficult problems during the war: Production of strategic and critical materials; development of military cooperation for the defense of the hemisphere; control of subversive activities; and the maintenance of essential wartime transportation despite submarine warfare and shortage of fuel and equipment.

"I have no hesitation whatsoever in saying that, in my opinion, we have these nations as valued allies and helpful friends today because we previously by word and deed gave them a solid basis for confidence in our friendship. Again, I have not the slightest hesitation in saying that the reciprocal trade-agreements program which your committee and the Congress inaugurated in 1934 and which Secretary Hull has steadfastly championed is viewed by these countries as one of the most tangible and abiding manifestations of a good neighbor. I am equally convinced that nothing would do more to create serious misgivings on the part of these countries concerning our future relations with them than any action on our part which had the appearance of terminating or hampering the operation of the trade-agreements program."

That is what I said when I testified before this committee in 1943, and the same thing is true today.

We are here dealing with fundamental problems which affect the very basis of our international relations and the future security and welfare of our own country.

Broadly speaking, it seems to me that there are

¹ Made before the House Ways and Means Committee on Apr. 19, 1945.

two ways in which we can proceed to obtain these objectives. We can either go alone as we did after the last war (you gentlemen know the results), or we can try to work out our problems together along the lines of the Mexico City conference and the forthcoming meeting at San Francisco. No nation today, large or small, can solve its problems alone. We *must* follow the course of international cooperation.

The Trade Agreements Act is simply a method—and experience has proven it an effective method—for getting together with other nations to work out trade-barrier problems.

The Inter-American Conference on Problems of War and Peace which was held at Mexico City last month took important steps to assure that the republics of this hemisphere will work out their problems in peace as they have in war, that is, together. The Economic Charter of the Americas adopted at Mexico City established principles on the basis of which the 21 American republics are prepared to work together among themselves and with other nations for a more prosperous world for all peoples.

I would like to quote two of the guiding principles of the Economic Charter of the Americas:¹

"2. Equality of Access

"To cooperate with other nations to bring about through the elimination of existing forms of discrimination and the prevention of new forms, the enjoyment by all nations of access on equal terms to the trade and raw materials of the world, in accordance with the principles of the Atlantic Charter, and likewise to declare and accept a reciprocal principle of equal access to the producers' goods which are needed for their industrial and economic development.

"3. International Commercial Policy

"To attain, as soon as possible, the common aspiration of all the American Republics to find practical international formulae to reduce all barriers detrimental to trade between nations in accordance with the purpose of assuring all peoples of the world high levels of living and the sound development of their economies, and to promote the cooperative action which must be taken in other fields, particularly the stabilization of currencies, and international investment."

I am sure that your colleagues in this Congress

who participated so importantly in the work of the Mexico City conference agree with me in setting great store by these and the other declarations of common principles which have been accepted by all the American republics. I can only add in this connection that I doubt there is anyone among us who would not set great store by the achievement of such agreement if he could know at first-hand the spirit of mutual understanding and confidence which characterized the work of that Conference at every turn.

Further extension of the reciprocal trade-agreements program, as proposed in the pending bill, would be in line with the spirit of this meeting and would be an important factor in assuring the continuation and extension of these basic principles which have contributed so much to the unity of the Americas. In this regard we are fortunate. We do not have to experiment with new policies and untried methods in order to put these principles into operation. The Trade Agreements Act, which has been in effect for over 10 years now, is itself based upon the policy of cooperation with other nations as expressed in the Economic Charter of the Americas, the objectives of which were to bring about "the elimination of existing forms of discrimination and the prevention of new forms" and "to find practical international formulae to reduce all barriers detrimental to trade between nations."

As I stated to this committee in 1943: "I think this policy is sound because I am convinced that there is just one direction in which we can go and hope to keep our way of life—by which I mean democracy and private enterprise—and at the same time maintain and increase the standard of living for all our people. That direction, in my opinion, must be toward the greatest possible utilization of our industrial and agricultural productive capacities and the widest possible consumption of the fruits of this production. And we cannot go in this direction and at the same time limit our markets and the mutually profitable exchange of goods by excessive trade barriers."

It has seemed to me that the trade-agreements program is sound not only in its policy but in its method. The method seems to me to be sound both (1) because it recognizes that the complex problems of international trade have got to be worked out through frank consultation and mutual agreement of the nations concerned and (2) because it provides an expeditious and businesslike approach

¹ BULLETIN of Mar. 18, 1945, p. 451.

for handling the problem within our own Government. The Congress lays down the objectives and policies it wants followed, and the matter of making the expert and factual determinations is properly left to the various interested Government departments and agencies working together on the basis of facts and the views of interested parties and all the facts available.

I don't pretend to be an expert in these matters, but the record of the program's operation seems to me has demonstrated its effectiveness. Under it agreements have been concluded with 28 different countries; 15 of these are American republics. The first agreement was signed with Cuba in 1934, and the last to be signed was with Mexico in 1943. It is impossible to fix with certainty all the factors which influence international trade. However, there is no room for doubt that these trade agreements contributed importantly, both directly and indirectly, to the restoration of our inter-Ameri-

can trade from the low level of \$472,000,000 in 1932 to \$961,000,000 in 1939, the last pre-war trade year.

These and other figures speak of yesterday's trade. We, however, must do our thinking about today's problems in terms of tomorrow's trade. There are very few, if any, competent students of our country's economic problems who do not agree that an expanding economy and a rising standard of living for us depends upon a substantially larger volume of both domestic and foreign trade than we've ever known before. If we are determined to realize these ends our decisions must correspond always to the national interest and we must be prepared to go forward in supporting those programs which encourage the development of international trade.

In brief, gentlemen, that is why I unqualifiedly support the present proposal for the extension of and strengthening of the trade-agreements program. I thank you.

Meeting of the Committee of Jurists

DRAFTING OF STATUTE FOR AN INTERNATIONAL COURT OF JUSTICE

[Released to the press April 20]

The United Nations Committee of Jurists, which began meetings on April 9,¹ has completed the draft of a statute for an international court of justice which it will submit to the United Nations Conference at San Francisco. The Committee, composed of outstanding jurists representing 44 nations, was convened to prepare a draft statute of a court as contemplated by the Dumbarton Oaks Conversations. Chapter VII of the Dumbarton Oaks Proposals declares that there should be an international court of justice as the principal judicial organ of the new Organization, functioning under a statute which should be a part of the Charter of the Organization.

The Committee's meetings, under the chairmanship of Green H. Hackworth, Legal Adviser of the Department of State, manifested a spirit of harmony and close cooperation. The Statute of the Permanent Court of International Justice, established under the Covenant of the League of Nations, was used as a working model; changes made therein included those necessitated by the Dumbarton Oaks plan and others which the Committee considered desirable, for example, the inser-

tion of an article providing a method of amendment. On a few questions it was unanimously agreed that no definitive recommendation should be made at this time—decision being left to the San Francisco conference itself. Among these questions is the method of nominating judges of the Court, the chief question being whether to follow the indirect system of nomination used for the old Court or to adopt some more direct method of nomination by governments. Another is the question whether reference of cases to the Court should be optional, as under the existing Statute, or whether there should be a provision binding all states, parties to the Statute, to accept the jurisdiction of the Court in certain types of cases.

At its meeting on April 18 the Committee unanimously adopted the report of its work prepared by the rapporteur, Professor Jules Basdevant, Legal Adviser to the French Foreign Office. The ceremony of signing the record of the meeting took place on April 20 at 2:30. The results of the sessions, embodied in the report and draft statute, will be transmitted to the San Francisco conference for its consideration.

¹ BULLETIN of Apr. 15, 1945, p. 672.

Relations Between Foreign Trade And the Welfare of Small Business

Statement by ASSISTANT SECRETARY CLAYTON¹

[Released to the press April 17]

I appreciate this opportunity to appear before the Foreign Trade Subcommittee of the Senate Small Business Committee. You wish me, I believe, to discuss the relations between foreign trade and the welfare of small business.

A very large part of our import and export trade is in fact conducted by small business units. The welfare of these firms is obviously directly dependent on the volume of foreign trade, both imports and exports. Although the great majority of small-business undertakings are not directly engaged in foreign trade, they are, nevertheless, vitally affected by the volume and character of our trade with the rest of the world.

What small business and indeed every business requires first and most is a high level of general prosperity. When business as a whole is active, when labor is earning good wages and farmers are receiving good prices, when consumers have money to spend, then small business also prospers. When the opposite conditions prevail in general, they prevail also in small business. And small business is on the whole less able to withstand periods of inadequate demand than is large business, as the figures on business mortality in depression clearly show. The reserves of small business are ordinarily not as adequate as those of larger units to tide over periods of adversity.

What I shall say therefore will deal mostly with the contribution which foreign trade can make to expanding the general prosperity of the United States.

Small business has a special interest in avoiding the domination of big and monopolistic business. I shall therefore have something to say about the particular problem of international cartels and combines.

World peace and world trade are inseparable. International economic cooperation is essential to international political action to build and keep the peace. In a few days we shall meet at San Francisco to set up a partnership to preserve peace. The nations participating in this partnership are not likely to be able to work together successfully

in the long run if they become involved in day-to-day disputes on money, trade, and tariffs. This is the first and greatest reason for favoring a regime of international cooperation rather than international conflict in trade matters.

The second reason is that we and other countries can get further on the way to full employment and prosperity if we work at the job together rather than at cross purposes.

Discriminatory trade devices and excessive tariffs after the other war resulted in restricted markets and lessened purchasing power and employment. To maintain purchasing power and employment, we must move in the other direction this time.

During the twenties and thirties a variety of monetary devices were used by nations in the mistaken belief that they were advancing their own national interests although at the expense of other countries. When the gold standard collapsed, it was replaced by a number of makeshift currencies and exchange controls that sharply reduced trade between the nations. These monetary manipulations went hand in hand with other discriminatory trade devices, and together constituted a kind of economic warfare long before war was declared.

The Dumbarton Oaks Proposals represent our foreign policy for the maintenance and promotion of peace through international organization. The Proposals clearly show that the new international Organization is to be directed not only toward security against aggression but against the causes, especially the economic causes, of disagreement among countries.

The Bretton Woods agreements, providing for an international bank and a monetary fund, substitute international monetary cooperation for international monetary warfare.

We are also cooperating in the setting up of the proposed International Organization for Food and Agriculture, which 20 countries have already approved.

We are making progress toward international cooperation on the problems of civil aviation.

¹ Made before the Foreign Trade Subcommittee of the Senate Small Business Committee on Apr. 17, 1945.

An expanding world economy is fundamental to these proposals for international cooperation.

After the war we will have a vast amount of surplus productive capacity in this country even after the deferred demand for civilian goods is taken up. The capacity of great segments of American industry has been so greatly increased during the war that no peacetime domestic market such as we have had in the past can absorb their output. Many industries will need foreign markets for part of their output, if they and their workers are to absorb the output of other producers. Also, it is in the best interests of the United States to assist devastated countries with exports of machinery, tools, equipment, and technical knowledge necessary for their reconstruction and development. In this way it will become possible for such countries to utilize their own resources and skills efficiently, raise their standard of living, and import in rising volume what they cannot produce efficiently at home. Since there are always limits on the resources available to countries, imports will be essential to supplement those resources that they already possess.

Many branches of American agriculture have always needed foreign markets and will, of course, continue to need them after the war. We have always sold cotton, tobacco, lard, flour, apples, to mention a few important farm products, to foreign customers in large quantities. If these foreign markets should be lost, declining prices and unmarketable surpluses would bring distress to thousands of farmers. Furthermore, we know that the demand for farm products of all kinds here at home depends on payrolls in industry. The stimulus of foreign orders, work, and wages in industry directly benefits the domestic market for all crops.

For the most part our foreign customers will pay us in goods and services; but for some time after the war several foreign countries will not be able to export enough to pay for their imports, and will therefore require financial assistance from outside. Ultimately, we must take payment in goods and services for our exports and for our foreign loans. And we can only get payments in this way if world-wide discriminations in trade are eliminated, and tariffs and other barriers to the exchange of goods and services are reduced.

Small business will continue to operate at a disadvantage in international trade so long as international cartels and combines are allowed to employ restrictive practices to maintain their control

of the international markets. Many small businesses lack the financial strength to wage war for a share of a market. Their only claim to a share is their ability to offer a good product at a low price. Division-of-territory agreements frequently involve the use of repressive tactics on the part of the cartel members to keep independent producers out of areas assigned exclusively to certain partners in the cartel. Moreover, restrictive international patent-pooling agreements have been used and can be used to bar new enterprises entirely from certain fields of business.

Within the United States the Sherman act is the first line of defense for small business against the use of such tactics and its value in protecting small business is widely recognized. It is not going to be easy, however, to protect small business in world markets from the abuses of international cartels, for several countries, especially on the continent of Europe, have a different tradition from ours in these matters. But our military victory will give us an excellent chance to curb the world cartel system by attacking its German base of operations. Furthermore, there are increasing signs that the people of the liberated countries of Europe are coming to realize that a *laissez-faire* attitude with respect to cartels is incompatible with the achievement of a healthy economic system. We may therefore have a real chance to get effective international action on this problem, and we certainly propose to take advantage of every opportunity to get ahead in that direction.

But even if we are successful in our policy with respect to restrictive and monopolistic practices, trade will not move if governments interfere unduly with it. In my opinion, therefore, we must have an active and effective program for the reduction of trade barriers if we are to have increased prosperity in an expanding world economy. This is because business operations of all kinds depend on orders; orders depend on the chance to make a profit; and the chance to make a profit is cut down by anything that restricts trade and adds unnecessarily to costs.

We all understand quite clearly that high transportation costs between two points reduce the opportunities for profitable trade between those areas. Unreasonable governmental barriers against exports or imports have the same effect as an artificial addition to transportation costs. We all believe it is worthwhile to improve harbors and railroads and roads and airports so that passengers and goods may move more easily and at less cost, and

we have as a nation spent enormous energies and sums of money to do so. For the same reason and the same purpose it is worthwhile expending ingenuity and thought in the reduction of all kinds of artificial barriers to trade.

In negotiating reductions in trade barriers, the United States will have three major objectives: First, to secure reductions of the foreign barriers and discriminations against American exports which still exist in many countries. Second, to hold back the pressure in many countries for increased protectionism after the war, and to turn that movement in the other direction as much as possible. Third, to prevent the possible break-up of the world economy into isolated economic blocs. If blocs arise, the friction between them would be very bad for the commercial interests of the United States and would seriously threaten the political foundations of security.

Therefore one of the major aims of the trade-agreements program is the reduction in barriers to trade on a world-wide scale, making it possible for a country to sell goods to another country and to use the proceeds to buy goods from a third country. As a typical example of this kind of trade around the board, which we call multilateral trade, we might consider our own trade with England before the war.

England has for many years been one of our largest peacetime customers—in most years the largest. We have bought some things from England too of course, but by no means so much in dollar value as she bought from us. The British balanced their accounts with us therefore, in part, by selling, for instance, machinery and textiles to tropical countries which in turn sold various tropical products to us in large volume. This kind of triangular or multilateral trade, which benefits all parties, can obviously be broken up and interfered with by excessive governmental barriers in any one of the countries concerned. That is why it is so important to us to get trade barriers reduced not in one or two countries but in all countries, and not only on the goods they import from us but also on the goods they import from each other.

The whole point is that the total of world production, world employment, and world trade is not a constant figure, any more than the corresponding totals are in the United States. The best commercial policy and the one that is best for small business is one that seeks to make the total larger. One direct and simple way to do that, without any subsidy or bureaucratic regulation, is to reduce the

artificial barriers that keep the total down. That is the method of the trade-agreements program, which Secretary Hull so long sponsored and administered, and which his successors in the Department of State are anxious to carry forward.

The Reciprocal Trade Agreements Act passed by Congress in 1934 authorized the President to enter into agreements with other countries by which the United States and any interested country could each reduce the tariff and other trade barriers which they maintained against goods from the other. The agreements concluded as a result of this act have contributed greatly to the freer flow of private trade between the United States and the countries with whom agreements have been made.

As President Roosevelt pointed out in his message, a more effective tool than the authority granted under the old Trade Agreements Act is now needed. Too much of the authority granted under the original act has been used up, especially as regards our trade with England and Canada as well as with the other countries with whom we have made agreements. These include France, Belgium, the Netherlands, Sweden, Switzerland, and most of the American republics. If we do not have something to trade with, in our negotiations with these countries, there is little leeway left in the program. A bill is, as you know, now before Congress for the extension and strengthening of the Trade Agreements Act, which would give the United States bargaining power to secure real and substantial reduction of trade barriers.

I shall discuss the particular measure in greater detail in the near future before the Ways and Means Committee of the House, to whom it has been referred. But I can say now that an extension and strengthening of the Trade Agreements Act, substantially on the lines of the House bill, is in my opinion essential to any intelligent American policy in commercial matters in the post-war years. It will not be very intelligent for Americans to loan money or to make investments or to sell goods abroad unless we put it in the power of our debtors and customers to pay us. They must pay us chiefly in the goods and services we buy from them. A liberal commercial policy, including reduction both of government-created and of cartel-created barriers to trade, is an essential part of any program whose objectives are free enterprise, prosperity, and peace. In all such matters the interests of small business and of the Nation are, of course, identical.

Agreement Between the United States of America and Belgium Under Section 3 (c) of the Lend-Lease Act

EXCHANGE OF LETTERS BETWEEN THE BELGIAN AMBASSADOR AND THE SECRETARY OF STATE

[Released to the press April 18]

April 17, 1945.

The Honorable

EDWARD R. STETTINIUS, Jr.

Secretary of State

MY DEAR MR. SECRETARY:

Several questions of interpretation have arisen with respect to the language of the Agreement between our two Governments under Section 3 (c) of the Lend Lease Act. I believe it will be helpful to indicate the understanding which my Government now has with respect to these questions and I would appreciate an expression from you as to whether or not these understandings are correct.

1. It is the understanding of my Government that the Agreement does not apply to arms and munitions, and that arms and munitions now or hereafter provided to my Government will be supplied, on a straight lend lease basis, under the Agreement of June 16, 1942, between our two Governments on the principles applying to mutual aid.

2. We understand that in general it is not the intention of the United States Government to exercise its right under Article V of the Agreement between our two Governments dated June 16, 1942, to recapture any articles for which the Government of Belgium has paid or is to pay the United States Government. If, however, the United States Government should exercise this right with respect to any such articles, appropriate arrangements will be made for repayment to the Government of Belgium.

3. With reference to the last paragraph of Article III of the Agreement under Section 3 (c) of the Lend Lease Act, it is the understanding of my Government that no articles or services will be transferred or rendered to my Government under that Article unless they have been requisitioned by my Government.

4. In the first paragraph of Article IV of the

Agreement under Section 3 (c) of the Lend Lease Act, it is stated that changes may be made from time to time in the items set forth in the Schedule annexed thereto, by mutual agreement between the United States of America and the Government of Belgium. It is our understanding that this language means that not only the items but also the values expressed for each item in the Schedule and the total value expressed for the whole Schedule, may be modified by mutual agreement.

5. With regard generally to the provisions of the Agreement under Section 3 (c) of the Lend Lease Act with reference to risk of loss and transfer, as expressed in Section A of the Schedule annexed to the Agreement, it is my understanding that a suitable opportunity will be given to representatives of my Government, in accordance with the general procedures of your Government, to inspect articles proposed to be transferred before their transfer.

6. With reference to the provision of the Schedule annexed to the Agreement under Section 3 (c) of the Lend Lease Act that risk of loss shall pass in accordance with the customary practice of the United States Government with respect to transfers under the Act of Congress of March 11, 1941, it is the understanding of my Government that under the practice referred to risk of loss usually passes when the articles leave the possession of the supplier or are withdrawn from the United States Government stock.

7. With reference to the provision of Section A of the Schedule annexed to the Agreement under Section 3 (c) of the Lend Lease Act that "those articles which, prior to the end of the periods authorized by law, shall have been contracted for by the United States Government and shall not have been transferred to the Government of Belgium as above set forth, shall be deemed to be transferred to the Government of Belgium upon the

April 17, 1945.

last day of such periods", it is the understanding of my Government that the term "periods" refers to the period as now provided for by the last clause of Section 3 (c) of the Lend Lease Act, or as such period may hereafter be extended by amendment of that Act, during which the powers conferred by or pursuant to Section 3 (a) of that Act may be exercised to the extent necessary to carry out a contract or agreement made under Section 3 (c) of that Act.

Sincerely yours,

Baron ROBERT SILVERCRUYS
Belgian Ambassador

MY DEAR MR. AMBASSADOR:

In reply to your letter of today's date outlining your Government's understanding of seven questions which have arisen with respect to the language of the Agreement between our two Governments under Section 3 (c) of the Lend-Lease Act, I am pleased to state that the understanding of your Government coincides with the views held by the Government of the United States in respect to these matters.

Sincerely yours,

E. R. STETTINIUS, Jr.
Secretary of State

His Excellency
Baron ROBERT SILVERCRUYS,
Belgian Ambassador.

MEMORANDUM OF INTERPRETATION

[Released to the press April 18]

The Government of the United States of America directs the attention of the Government of Belgium to the proposed agreement¹ under Section 3(c) of the Lend-Lease Act and in particular to Article IV thereof. Under Article IV this Government will review, from time to time, and particularly at the conclusion of hostilities in Europe, as determined by the President, articles and services set forth in the Schedule annexed to the Agreement in order to determine whether the delivery of such articles or services should be withheld in the national interest of the United States. The reservation made by this Government in Article IV to withhold delivery of articles and services "whenever the President determines that such action is in the national interest" constitutes a broad power to cancel or revoke procurement programs or contracts. It is not possible to predict with precision what occasions or circumstances may arise in the future which may require this Government to withhold delivery. Actual delivery will always be subject to the development of the military situation, and the changing demands of strategy, as well as to economic and financial factors which affect the national interest of this Government.

The Government of the United States of America expects that all articles and services transferred to the Government of Belgium on or before February 28, 1945, pursuant to the exchange of notes

between the Foreign Economic Administration and the Belgian Ambassador to the United States on October 20 and October 25, 1944, will be paid for in United States dollars in accordance with the terms of those notes and any articles and services requisitioned in accordance with the provisions of those notes but transferred after February 28, 1945, will be regarded, if appropriate, as deliveries under the Schedule annexed to the Agreement.

The Government of the United States of America further wishes to point out that, in view of the existing economic and governmental relationships and arrangements between the Government of Belgium and the Grand Duchy of Luxembourg, and the fact that the Government of Belgium and the Grand Duchy of Luxembourg are employing their resources together in the prosecution of the war against the common enemy, it is understood that some of the articles, or an appropriate portion thereof, delivered under this Agreement are required for use or consumption within the Grand Duchy of Luxembourg, and that the Government of Belgium and the Grand Duchy of Luxembourg will make such arrangements between them as may be needed to effectuate such use or consumption within the Grand Duchy of Luxembourg. The Government of the United States of America therefore consents to the transfer by the Government of Belgium of such articles, or an appropriate portion thereof, to the Grand Duchy of Luxembourg.

¹ To be printed in the Executive Agreement Series.

It is further understood that the Government of Belgium will be obligated to pay currently for civilian supplies furnished by the combined military authorities under "Plan A" or "Plan A" as modified. Payment will be made in accordance with the arrangements to be made with the governments which have furnished the supplies, and in United States dollars to the extent determined under such arrangements.

It is, of course, understood that in the implementation of the provisions of any lend-lease agreement with the Government of Belgium, the Government of the United States of America will act in accordance with its Constitutional procedures.

DEPARTMENT OF STATE,

Washington.

April 17, 1945.

**STATEMENT BY THE SECRETARY OF STATE, THE FOREIGN ECONOMIC ADMINISTRATOR,
AND THE SECRETARY OF THE TREASURY**

[Released to the press April 18]

Edward R. Stettinius, Jr., Secretary of State, Leo T. Crowley, Foreign Economic Administrator, and Henry Morgenthau, Jr., Secretary of the Treasury, acting for the Government of the United States on lend-lease and reverse lend-lease matters with the Government of Belgium, on April 18 made the following statement:

The Governments of the United States and Belgium yesterday signed two agreements, one providing that the United States furnish to Belgium supplies essential to the prosecution of the war, the other confirming and extending existing arrangements under which Belgium supplies reverse lend-lease aid to the United States. These agreements supplement the Master Agreement entered into by the United States and Belgium under the Lend-Lease Act on June 16, 1942, and the exchange of letters between the Governments with respect to procurement of essential supplies which was entered into by Foreign Economic Administrator Leo T. Crowley and the Belgian Ambassador, Count Robert van der Straten-Ponthoz, in October 1944, and supersede the supplementary agreement between the two nations on reverse lend-lease entered into on January 30, 1943.

Arms and munitions will be furnished as straight lend-lease under the terms of the Master Agreement in accordance with the assignments made by the Munitions Assignment Board pursuant to the directives of the Combined Chiefs of Staff.

The new agreement with respect to lend-lease, following the pattern of the agreement entered into by the United States and the Provisional Gov-

ernment of France on February 28, 1945, is made under the authority of Section 3 (c) of the Lend-Lease Act and provides for payment by the Government of Belgium for lend-lease supplies received by it after a determination by the President that such supplies are no longer necessary for the prosecution of the war.

The position of Belgium in Europe and its industrial capacity make it of major importance to the Allied war effort to achieve complete victory over the Axis. Much of the supplies for the Allied armies on the Western Front pass through Belgium's leading port, Antwerp, and across Belgium. In addition, Belgian production is providing all types of supplies from food to steel girders for the Allied armies.

Since the time General Eisenhower's armies first entered Belgium, the Belgian Government has furnished upwards of \$107,000,000 worth of lend-lease aid to the Allied forces, of which \$48,000,000 worth has been provided to the United States armies. An additional \$48,000,000 worth of reverse lend-lease aid had been ordered by the Belgian Government for the Allied forces by the end of February. Belgian aid currently provided the United States armies under reverse lend-lease is valued at approximately \$18,000,000 per month. These figures include aid provided from the Grand Duchy of Luxembourg which has an economic union with Belgium.

This contribution of reverse lend-lease has included labor, materials, transportation, airports, buildings and the output of Belgian factories and plants. It has been provided at real sacrifice to the Belgian people. To make coal available to the

Allied armies, the Belgians reduced their own very low civilian consumption; they have produced structural steel for bridges and other Army construction, and metal products such as spare parts for tanks and other equipment. Food has been made available to our armed forces in spite of an extreme shortage in the Belgian supply. This condition prevails also with respect to the raw materials and manufactured goods which have been made available.

The new agreement signed today with respect to reverse lend-lease provides that, in addition to the types of aid given heretofore, the Belgian Government will supply mutually agreed upon amounts of strategic materials from the Belgian Congo which are needed for the prosecution of the war in Europe and the Pacific, for example, copper, tin and rubber.

As of February 1, 1945, the United States had transferred to Belgium lend-lease supplies in the total amount of \$8,120,000 of which \$3,346,000 has been paid for in cash.

If the Belgian economy is to make its maximum contribution to the war effort, Belgium must be supplied with food, raw materials and basic short-life equipment, such as repair parts and replacements for transport and war production purposes. The newly signed agreement under Section 3 (c) of the Lend-Lease Act only covers supplies needed in the prosecution of the war, and no supplies have been included for postwar relief, postwar rehabilitation, or postwar reconstruction purposes. Some of the supplies covered by the agreement are already in production. In the event that any of these supplies should become available for delivery too late to be of use in the prosecution of the war, they will, if delivered to Belgium, be paid for in dollars instead of on straight lend-lease terms. The agreement provides for payment by the Belgian Government for such supplies in equal annual instalments beginning July 1, 1946 or the first day of July following delivery, and ending July 1, 1975 with interest at 2½ percent per annum.

In view of the present advanced stage of the war, the Belgian 3 (c) agreement, unlike the agreement entered into with the Provisional Government of France, does not contain industrial equipment requiring a long time to produce and having a long period of usefulness, such as locomotives

and freight cars. If the Belgian Government desires to purchase such equipment in the United States, it may do so for cash.

Deliveries of supplies under the Belgian 3 (c) agreement are subject to review in the light of the over-all supply situation in the United States and to the authority of the President to withhold delivery if in his judgment the national interest of the United States so requires. A memorandum accompanying the agreement makes it clear that this review will be made in accordance with developments in the military situation and the changing demands of strategy, as well as economic and financial factors affecting our national interest.

The Belgian Government may be released from accepting supplies under the 3(c) agreement by paying costs incurred by the United States Government with respect to such supplies including contract cancellation charges.

The entire arrangement permits an orderly liquidation of lend-lease contracts entered into by the United States Government in the manner provided in Section 3(c) of the Lend-Lease Act.

The supplies covered by the 3(c) agreement consist of the following:

Raw materials	\$90,000,000
Food	75,000,000
Petroleum	14,000,000
Agricultural supplies	18,000,000
Clothing, footwear and shoe repair materials	5,000,000
Medical supplies	1,500,000
Short life equipment for industrial and transport facilities used in war production	77,000,000
Prisoner-of-war supplies	2,500,000
Freight charges on United States vessels	42,200,000
Total	\$325,200,000

The supplies and services to be furnished include such items as cotton for production of duck for tents and other textiles for the armed forces, rubber for production of tires for military vehicles, and similar war production materials. They also include other vital supplies such as petroleum, handtools and trucks for war production and other essential operations, and food and medical supplies to enable the Belgian people to fight, produce and work most effectively for the complete defeat of Germany and Japan.

Exchange of Letters Between the Belgian Ambassador and the Secretary of State Regarding the Reciprocal-Aid Agreements

[Released to the press April 18]

AMBASSADE DE BELGIQUE

Washington, April 17, 1945.

SIR:

In the United Nations Declaration of January 1, 1942, the contracting governments pledged themselves to employ their full resources, military and economic, against those nations with which they are at war; and in the Agreement of June 16, 1942,¹ each contracting government undertook to provide the other with such articles, services, facilities or information useful in the prosecution of their common war undertaking as each may be in a position to supply. It is further the understanding of the Government of Belgium that the general principle to be followed in providing mutual aid as set forth in the said Agreement of June 16, 1942, is that the war production and the war resources of both Nations should be used by the armed forces of each and of the other United Nations in ways which most effectively utilize the available materials, manpower, production facilities and shipping space.

With a view, therefore, to supplementing Article II and Article VI of the Agreement of June 16, 1942, between our two Governments for the provision of reciprocal aid, I have the honor to set forth the understanding of the Government of Belgium of the principles and procedures applicable to the provision of aid by the Government of Belgium to the armed forces of the United States and the manner in which such aid will be correlated with the maintenance of such forces by the United States Government.

1. The Government of Belgium retaining the right of final decision in each case in the light of its own potentialities and responsibilities, will provide the United States or its armed forces with the following types of assistance as reciprocal aid when and to the extent that it is found that they can most effectively be procured in Belgium or the Belgian Congo:

(a) Military equipment, munitions and military and naval stores;

(b) Other supplies, materials, facilities, services and information for the United States forces

including payment of those civil claims against the United States and its armed forces, employees and officers that shall be mutually agreed upon by the two Governments as a proper charge against the Belgian Government, but not including the pay and allowances of United States forces, the wages and salaries of civilian officials of the United States Government and the administrative expenses of United States missions;

(c) Supplies, materials and services needed in the construction of military projects, tasks and similar capital works required for the common war effort in Belgium or the Belgian Congo, except for the wages and salaries of United States citizens.

(d) Supplies, materials and services needed in the construction of such military projects, tasks and capital works in territory other than Belgium or the Belgian Congo or territory of the United States to the extent that Belgium or the Belgian Congo is a more practical source of supply than the United States or another of the United Nations;

(e) Such other supplies, materials, facilities, services and information as may be agreed upon as necessary in the prosecution of the war.

2. The practical application of the principles formulated in this note, including the procedure by which requests for aid are made and acted upon, shall be worked out as occasion may require by agreement between the two governments, acting when possible through their appropriate military or civilian administrative authorities. Requests by the United States Government for such aid will be presented by duly authorized authorities of the United States to official agencies of the Belgian Government which will be designated or established by the Government of Belgium for the purpose of facilitating the provision of reciprocal aid.

3. It is the understanding of the Government of Belgium that all such aid, as well as other aid, including information received under Article VI of the Agreement of June 16, 1942, accepted by the President of the United States or his authorized representatives from the Government of Belgium will be received as a benefit to the United States

¹ BULLETIN of June 20, 1942, p. 551.

under the Act of March 11, 1941. In so far as circumstances will permit, appropriate record of aid received under this arrangement, except for miscellaneous facilities and services, will be kept by each Government.

4. In order to facilitate the procurement in Belgium metropolitan territory of supplies, materials, facilities, information and services described in Section 1, by permitting their direct purchase rather than their procurement by the methods contemplated in Section 2, during the period of military operations and until such time as the official agencies of the Belgian Government are able to provide such reciprocal aid in the manner contemplated in Section 2, the Government of Belgium agreed to make available to designated officers of the United States Government such Belgian franc currency or credits as may be needed for the purpose. The necessary arrangements will be made by the appropriate authorities of the two governments.

If the Government of the United States concurs in the foregoing, I would suggest that the present note and your reply to that effect be regarded as placing on record the understanding of our two governments in this matter and as superseding the exchange of notes of January 30, 1943 on this subject, and that for clarity and convenience of administration the present note and your reply be made retroactive to June 16, 1942, the date of the Agree-

ment of the two Governments on the principles of mutual aid.

I avail [etc.] **Baron ROBERT SILVERCRUYS**
The Honorable **EDWARD R. STETTINIUS, Jr.**
Secretary of State,
Washington, D.C.

April 17, 1945.

EXCELLENCY:

I have the honor to acknowledge the receipt of your note of today's date concerning the principles and procedures applicable to the provision of aid by the Government of Belgium to the United States of America or its forces.

In reply I wish to inform you that the Government of the United States agrees with the understanding of the Government of Belgium as expressed in that note. It is also agreed that the exchange of notes of January 30, 1943 on this subject is hereby superseded by your present note and this reply, both of which in accordance with the suggestion contained in your present note, will be regarded as placing on record the understanding between our two Governments in this matter.

This further integration and strengthening of our common war effort gives me great satisfaction.

Accept [etc.]

EDWARD R. STETTINIUS, Jr.
Secretary of State

His Excellency
Baron ROBERT SILVERCRUYS,
Belgian Ambassador.

Replacement of Imported Articles Used by United States Armed Forces in Belgium

LETTER FROM THE SECRETARY OF STATE TO THE BELGIAN AMBASSADOR

[Released to the press April 18]

April 17, 1945.

MY DEAR MR. AMBASSADOR:

You will recall that on January 30, 1943, Dean Acheson, Assistant Secretary of State, addressed a letter to the Belgian Ambassador with respect to the receipt by this Government as reciprocal aid of articles previously purchased abroad and imported into Belgian territory. In that letter Mr. Acheson stated that this Government does not expect the Belgian Government or the authorities in the Belgian Congo to furnish such articles to

American forces as reciprocal aid and that, if such articles were furnished as reciprocal aid in emergency situations, this Government would be entirely agreeable to the principle that they should be replaced from the United States as soon as possible. Mr. Acheson further stated that American forces would not request or accept as reciprocal aid any such articles, the replacement of which was regarded by the Belgian Government as desirable, without specific authorization in each case from the War Department.

The exigencies of war have made strict compli-

ance with this procedure impractical, and your Government has furnished such articles to this Government and its armed forces without compliance with this procedure. The quantity and value of the articles so furnished are not yet known and it is anticipated that considerable time may be required before mutual agreement can be reached as to the exact value of the articles to be replaced under the terms of Mr. Acheson's letter.

At the time of Mr. Acheson's letter no non-military supplies were being provided by my Government to your Government as straight lend-lease. Now, however, our two Governments have concluded an agreement under Section 3 (c) of the Lend-Lease Act, under which this Government will furnish non-military supplies as straight lend-lease aid to your Government to the extent provided therein.

I should therefore like to propose that the obligation in Mr. Acheson's letter to replace articles provided as reciprocal aid which have previously been purchased abroad and imported into Belgian territory should not apply to articles hereafter made available to this Government as reciprocal aid.

With respect to such articles transferred as reciprocal aid by the Government of Belgium to the United States or its armed forces prior to the date of the signing of the Agreement under Section 3 (c) of the Lend-Lease Act, I should like to propose that final action with respect to replacement be deferred until the final determination of the terms and conditions upon which mutual aid has been provided and received by the two Governments in accordance with the terms of the Agreement of June 16, 1942, with respect to the principles applying to mutual aid. At the time such a final determination is reached, and the full extent of the aid furnished by the United States and the reciprocal aid furnished by the Government of Belgium becomes known, the United States will make such replacement in accordance with the principles expressed in Mr. Acheson's letter to any extent then mutually agreed upon between the two Governments as just and equitable.

Sincerely yours,

E. R. STETTINIUS, Jr.

His Excellency

Baron ROBERT SILVERCRUYS,
Belgian Ambassador.

Mutual Aid With the Union of South Africa on Cash Basis

[Released to the press April 18]

All forms of mutual aid provided by the United States Government to the Union of South Africa or by the Union Government to the United States have been placed upon a cash basis, as from February 15, 1944, by an exchange of notes which took place on April 17, 1945.

By a second exchange of notes on the same date the two Governments agreed to cooperate in formulating a program of agreed action for the expansion of production, employment, and trade, the elimination of all forms of discrimination in international trade, and the reduction of tariff and other trade barriers. This agreement is identical in substance with the provisions of article VII of the mutual-aid agreements which the United States Government has signed with a number of other Governments.

The following notes were exchanged between the Secretary of State and the Chargé d'Affaires ad interim of the Legation of the Union of South Africa at Washington:

SIR,

With reference to the memorandum dated May 8th from the State Department and recent discussions between representatives of the Union of South Africa and those of the State Department and the Foreign Economic Administration concerning the proposal that all forms of mutual aid provided by either the Government of the Union of South Africa or of the United States to the other should be financed by cash payments as from February 15, 1944, I am directed to inform you that the Union Government agrees to the application of such a cash basis in its relations with the United States Government.

(2) The Union Government is accordingly prepared to accept liability for all combat material, aircraft and other goods shipped on and after 15th February, 1944, and supplied direct by the Government of the United States, or by means of retransfer from other Governments, on orders placed by the Union Government. This would include equipment for coastal defence undertaken by the

Union Government in agreement with the Government of the United Kingdom, but would not include the provision of aircraft and equipment for the Flying Boat Squadron No. 262 at present based on Durban, which is, by agreement with the United Kingdom, a liability of the latter government, in so far as the procurement of aircraft, spares and related equipment is concerned.

(3) The basis of the foregoing proposal is that liability for goods supplied should follow the authority responsible for the issue of the order of procurement. The Union Government would, therefore, be liable solely for goods received in accordance with the provisions of the preceding paragraph and it would not be liable for any goods which the United Kingdom Government may supply for the temporary or intermittent use of the Union Forces under United Kingdom operational control outside the boundaries of the Union of South Africa in compliance with the terms of the financial arrangements in existence between the two governments.

(4) If the Government of the United States of America concurs in the foregoing, I would suggest that the present note and your reply to that effect be regarded as placing on record the understanding of our two Governments in this matter.

Accept [etc.]

J. R. JORDAAN

Chargé d'Affaires ad interim

ANNEX

It is the understanding of the Government of the Union of South Africa that the following interpretations apply to the provisions of this note:

(1) The word "shipped" in the first sentence of paragraph (2) denotes the actual placing of goods on board ship; or in the case of other goods, such as aircraft and stores carried on them, the time at which the Government of the United States transfers such goods to the Union Government;

(2) The words "on orders placed by the Union Government", in the first sentence of paragraph (2) cover the case of any goods retransferred by any Government and accepted by the Union Government.

(3) Certain squadrons were formed and equipped in the Union of South Africa with Lend-Lease aircraft and, for a considerable period, carried out operations from Union bases. Subsequently these squadrons, complete with aircraft

and equipment, proceeded for operational work in the Mediterranean. Such aircraft and equipment furnished prior to 15th February, 1944, which have subsequently been transferred to the Mediterranean Theatre and later returned to the Union will be regarded as Lend-Lease material supplied to the Union Government before 15th February, 1944.

(4) For so far as the Joint Air Training Scheme in the Union of South Africa is concerned, it is the understanding of the Union Government that they will not be required to pay for aircraft and equipment which the United Kingdom is obligated to supply for the scheme and which are used solely for that purpose.

(5) Goods are frequently landed in the Union by mistake e.g. when they arrive without shipping documents and ships have to be cleared without delay. It is the understanding of the Union Government that such goods will not be regarded as "accepted" by them, although they may be stored by the responsible authorities for security purposes pending a directive from the United States Government as to their disposition.

SIR:

I acknowledge receipt of your note of today's date concerning the financing by cash payments as from February 15, 1944 of all forms of mutual aid provided by either the Government of the Union of South Africa or of the United States to the other.

I am glad to advise you that the Government of the United States shares the understanding of the Government of the Union of South Africa as expressed in that note and in the Annex thereto. I agree that your note and this reply thereto should be regarded as placing on record the understanding of our two Governments in this matter.

Accept [etc.]

EDWARD R. STETTINIUS, Jr.

Secretary of State

SIR:

I set forth below my understanding of the conclusions reached in conversations which have taken place from time to time during the past year between representatives of the Government of the United States and the Government of the Union of South Africa with regard to post-war economic settlements.

Our two Governments are engaged in a cooperative undertaking, together with every other na-

tion or people of like mind, to the end of laying the bases of a just and enduring world peace securing order under law to themselves and all nations. They are in agreement that post-war settlements must be such as to promote mutually advantageous economic relations between them and the betterment of world-wide economic relations.

To that end the Governments of the United States of America and of the Union of South Africa are prepared to cooperate in formulating a program of agreed action, open to participation by all other countries of like mind, directed to the expansion, by appropriate international and domestic measures, of production, employment, and the exchange and consumption of goods, which are the material foundations of the liberty and welfare of all peoples; to the elimination of all forms of discriminatory treatment in international commerce, and to the reduction of tariffs and other trade barriers; and, in general, to the attainment of all the economic objectives set forth in the Joint Declaration made on August 14, 1941 by the President of the United States of America and the Prime Minister of the United Kingdom.

Our Governments have in large measure similar interests in post-war international economic policy. They undertake to enter at an early convenient date into conversations between themselves and with representatives of other United Nations with a view to determining, in the light of governing economic conditions, the best means of attaining the above-stated objectives by agreed action on the part of our two Governments and other like-minded Governments.

If the Government of the Union of South Africa concurs in the foregoing statement of conclusions, I would suggest that the present note and your reply to that effect should be regarded as placing on record the understanding of our two Governments in this matter.

Accept [etc.]

EDWARD R. STETTINIUS, Jr.
Secretary of State

SIR,

I have the honour to refer to your note of today's date setting forth your understanding of the conclusions reached in conversations between representatives of the Government of the Union of South Africa and the Government of the United States with regard to post-war economic settlements. That understanding is as follows:

Our two Governments are prepared to cooper-

ate in formulating a program of agreed action, open to participation by all other countries of like mind, directed to the expansion, by appropriate international and domestic measures, of production, employment, and the exchange and consumption of goods, which are the material foundations of the liberty and welfare of all peoples; to the elimination of all forms of discriminatory treatment in international commerce, and to the reduction of tariffs and other trade barriers; and, in general, to the attainment of all the economic objectives set forth in the Joint Declaration made on August 14, 1941, by the President of the United States of America and the Prime Minister of the United Kingdom.

Our Governments have in large measure similar interests in post-war international economic policy. They undertake to enter at an early convenient date into conversations between themselves and with representatives of other United Nations with a view to determining, in the light of governing economic conditions, the best means of attaining the above-stated objectives by agreed action on the part of our two Governments and other like-minded Governments.

I am instructed to inform you that the Government of the Union of South Africa concurs in the foregoing statement of conclusions and agrees to your suggestion that your note of today's date, and this reply should be regarded as placing on record the understanding of our two Governments in this matter.

Accept [etc.]

J. R. JORDAAN, Esquire
Chargé d'Affaires ad interim

PUBLICATIONS

DEPARTMENT OF STATE

Foreign Service List, January 1, 1945. Publication 2295. iv, 130 pp. Subscription, 50¢ a year, single copy, 20¢.

Treaties Submitted to the Senate, 1935-1944. Publication 2311. iii, 28 pp. 10¢.

America's Good Neighbors. A Radio Broadcast by the Department of State, March 31, 1945. Publication 2292. 19 pp. Free.

The Department of State. Publication 2310. 8 pp. Free.

Fourth Meeting of the International Cotton Advisory Committee¹

FINAL ACTION

Resolution

WHEREAS,

The International Cotton Advisory Committee has found that a burdensome world surplus of cotton exists,

WHEREAS,

Many of the cotton-producing nations which are at present members of the International Cotton Advisory Committee are facing problems and difficulties originating from certain measures adopted by other member nations to deal with cotton surpluses by unilateral action, and

WHEREAS,

International collaboration in the management and liquidation of the world exportable surplus is preferable to any form of unilateral action on the part of the governments of individual exporting countries in disposing of their own surplus supplies,

IT IS RESOLVED:

1. That all other United and Associated Nations substantially interested in the production, exportation, or importation of cotton be invited to designate representatives on the International Cotton Advisory Committee.

2. That the International Cotton Advisory Committee at its present session recommend to the Governments of Brazil, Egypt, France, India, the United Kingdom and the United States that they appoint within one month representatives to serve as a special study group.

3. That the study group as soon as appointed organize and begin work on a report to be presented to the governments represented on the International Cotton Advisory Committee within three months of the date of the first meeting of the study group, the report to include definite proposals for international collaboration.

4. That the study group in preparing its report keep in mind the following considerations:

(a) That effective international management of the cotton surplus would require the collaboration of the governments of countries substantially dependent upon imports as well as of producing and exporting countries;

(b) That an effective international arrangement looking toward a

reduction in excess supplies would require the regulation of one or more of the following—exports, export prices and production.

(c) That the formulation of a plan for international action would take fully into account ways and means of expanding the consumption of cotton.

5. That as soon as practicable after the submission of the report of the study group to the governments represented on the International Cotton Advisory Committee, the Committee be convened to consider the report and take such action on it as may be deemed to be appropriate.

MOTION BY THE COMMITTEE

It is moved that the Committee request the United States Government to take note of and communicate the following resolution of the fourth meeting of the International Cotton Advisory Committee

- (a) To all United and Associated Nations substantially interested in the production, exportation, or importation of cotton and not now represented on the Committee in respect to the recommendation contained in paragraph 1 and
- (b) To the Governments of Brazil, Egypt, France, India, and the United Kingdom in respect to the recommendation contained in paragraph 2.

¹ Apr. 14, 1945. See BULLETIN of Apr. 1, 1945, p. 545.

ESTABLISHMENT OF FACTS REGARDING CURRENT WORLD COTTON SUPPLIES AND REQUIREMENTS¹

I. The International Cotton Advisory Committee, having considered in detail the facts in regard to current world cotton supplies and present and prospective requirements, has established the following facts:

1. The peacetime level of international trade in cotton in pre-war years approximated 13,000,000 bales (of 500 pounds or equivalent) a year.

2. The level of international trade in cotton has fallen greatly during the war years, and is between 3,500,000 and 4,000,000 bales in the current 1944-45 season.

3. It is expected that a considerable expansion of international trade in cotton will occur at the conclusion of the war in Europe as there is undoubtedly a great need for cotton goods. But as wartime difficulties for European trade may not be immediately removed and resumption of trade with the Orient is uncertain, it seems probable that total actual exports during the next marketing year, 1945-46, will not approach the pre-war volume of trading.

4. It is estimated that after taking into account

domestic consumption within the various exporting countries and the requirements for working stocks, there will be available for export during 1945-46 a quantity of cotton greatly in excess of immediate requirements.

5. In every year since 1939-40 in spite of wartime stringencies of manpower, materials, food and shipping, total world production of cotton has exceeded world consumption. The levels at which prices in many producing countries are now sustained by governments are such as are likely to induce greater production when these wartime handicaps have disappeared.

6. While total production during war years has consistently exceeded total consumption, the actual consumption of cotton in the producing countries during the war has greatly expanded, thus tending to reduce the movement of raw cotton in international trade.

II. The Committee is agreed that an effort should be made to solve the problem of the surplus stocks and of surplus production by international collaboration. The Committee is continuing its deliberations with this purpose in mind.

Signing of the Third Lend-Lease Act

Statement by THE PRESIDENT

[Released to the press by the White House April 17]

This is the third time that the Lend-Lease Act has been extended by the Congress—each time by overwhelming majorities.

This mighty instrument for victory is one of the growing monuments to the boldness, imagination, and effective statesmanship of Franklin Roosevelt.

At a critical time in the history of this country, he saw the vital need for aiding those who were fighting against Axis aggression and oppression all over the world.

The wisdom and effectiveness of that vision are being shown every day on the battle-fronts all over the world.

On the western European front—the British, the French, the Dutch, the Belgians, and other Allied forces have been equipped in part with lend-lease guns and other munitions and shoulder

to shoulder with our men are fighting their way into the heart of Nazi Germany.

In Italy—American, British, Polish, Brazilian, and other Allied armed forces are joined in a common effort to speed final victory.

On the eastern front—the Soviet forces, aided by lend-lease supplies, are striking blows which are breaking the back of Nazi military power.

In the Far East—the Chinese, the British, the Australians, the New Zealanders, the Dutch, and other fighting Allies have joined with us in a combined attack which is now beating at the doors of Tokyo.

Lend-lease has been an effective instrument to help assure a complete United Nations victory with the least cost in American and Allied lives.

Lend-lease will be carried on until the unconditional surrender or complete defeat of Germany and Japan.

¹ Released to the press by the Committee on Apr. 10, 1945.

U.S.S.R.-Yugoslavia Treaty

The American Ambassador at Moscow transmitted to the Secretary of State, by a telegram dated April 13, a translation of the following treaty between the Union of Soviet Socialist Republics and Yugoslavia signed at Moscow April 11, 1945, as it appeared in Moscow papers April 12:

TREATY OF FRIENDSHIP, MUTUAL AID AND POST-WAR COOPERATION BETWEEN THE UNION OF SOVIET SOCIALIST REPUBLICS AND YUGOSLAVIA.

The Presidium of the Supreme Soviet of the Union of Soviet Socialist Republics and the Regency Council of Yugoslavia,

Resolved to bring the war against the German aggressors to its final conclusion; desirous still further to consolidate the friendship existing between the peoples of the Soviet Union and Yugoslavia, which together are fighting against the common enemy—Hitlerite Germany; desirous to ensure close cooperation between the peoples of the two countries and all United Nations during the war and in peace time, and to make their contribution to the post-war organization of security and peace; convinced that the consolidation of friendship between the Soviet Union and Yugoslavia corresponds to the vital interests of the two peoples, and best serves the further economic development of the two countries, have decided, with this object in view, to conclude the present treaty, and have appointed as their authorized representatives: V. M. Molotov, People's Commissar for Foreign Affairs of the USSR; Marshal Tito, President of the Council of Ministers of Yugoslavia, who, after exchanging their credentials, found in good and due order agreed on the following:

ARTICLE ONE.

Each of the contracting parties will continue the struggle in cooperation with one another and with all the United Nations against Germany until final victory. The two contracting parties pledge themselves to render each other military and other assistance and support of every kind.

ARTICLE TWO.

If one of the contracting parties should in the post-war period be drawn into military operations

against Germany, which would have resumed her aggressive policy, or against any other state which would have joined Germany either directly or in any other form in a war of this nature, the other contracting party shall immediately render military or any other support with all the means available.

ARTICLE THREE.

The two contracting parties state that they will participate, in the spirit of closest cooperation, in all international activities designed to ensure peace and security of peoples, and will make their contribution for attaining these lofty purposes.

The contracting parties state that the application of the present treaty will be in accordance with international principles in the acceptance of which they have participated.

ARTICLE FOUR.

Each of the contracting parties undertakes not to conclude any alliance and not to take part in any coalition directed against the other party.

ARTICLE FIVE.

The two contracting parties state that after the termination of the present war they will act in a spirit of friendship and cooperation for the purpose of further developing and consolidating the economic and cultural ties between the peoples of the two countries.

ARTICLE SIX.

The present treaty comes into force immediately it is signed and is subject to ratification in the shortest possible time. The exchange of ratification documents will be effected in Belgrade as early as possible.

The present treaty will remain in force for a period of twenty years. If one of the contracting parties at the end of this twenty years period does not, one year before the expiration of this term, announce its desire to renounce the treaty, it will remain in force for following five years, and so on each time until one of the contracting parties gives written notice of its desire to terminate the efficacy of the treaty one year before the termination of the current five-year period.

In faith whereof the authorized persons signed the present treaty and thereto affixed their seals.

Done in Moscow, on April 11, 1945, in two copies, in Russian and Serbo-Croat, each of equal validity.

By authority of the Presidium of the Supreme Soviet of the USSR, V. MOLOTOV.

By authority of the Regency Council of Yugoslavia, I. BROZ-TITO.

Presentation of Letters of Credence by the Ambassador of the Turkish Republic

[Released to the press April 19]

The translation of the remarks of the newly appointed Ambassador of the Turkish Republic, Huseyin Ragip Baydur, upon the occasion of the presentation of his letters of credence, April 19, 1945, follows:

MR. PRESIDENT: I have the honor to hand to Your Excellency the Letters by which the President of the Republic of Turkey accredits me near Your Excellency as Ambassador Extraordinary and Plenipotentiary.

I am particularly proud that the choice of the President of Turkey has fallen upon me to represent him after the premature demise of my lamented predecessor.

The friendly relations so happily established between the great American Republic and the Republic of Turkey have been consolidated in the course of the second World War, thanks to the clear and firm policy of my Government, whose aim is to contribute sincerely to the victory of the United Nations. I consider it a very agreeable task to have the mission of developing and of drawing still closer these ties, which represent not only the desire for good understanding between the United States and Turkey, but also the reciprocity of interests of our two countries.

I am therefore very happy, Mr. President, to be able solemnly to express to you the sincere wishes of the Turkish people and of their Government for the prosperity of the United States and for the personal happiness of Your Excellency who holds the highest office of the country.

I take pleasure in assuring you, Mr. President, that I shall employ all my zeal in the fulfilment of a duty which so closely conforms with my own sentiments, and I hope that I may, to succeed therein, count upon Your Excellency's high benevolence and upon the valued and friendly cooperation of Your Excellency's Government.

The President's reply to the remarks of Mr. Baydur follows:

MR. AMBASSADOR: I am pleased to receive the letters by which President İnönü accredits you as Ambassador Extraordinary and Plenipotentiary of the Republic of Turkey near the Government of the United States of America.

I appreciate greatly, Mr. Ambassador, the cordial greetings which you have brought to me and to the people of the United States of America from President İnönü and the people of Turkey, and I am confident that the friendly relations between our two peoples will continue to grow in amity and understanding to the mutual benefit of both Republics.

I hope that you will convey to President İnönü my thanks for his thoughtful message and in turn convey to him my sincere best wishes for his personal health and well-being as well as for the prosperity of the people of Turkey. Please assure him that it will be a pleasure for me, as well as for the officials of this Government, to assist you in the fulfilment of your duties in Washington where your distinguished predecessor, whose body lies in honored state at our National Cemetery, is fondly remembered.

There are busy days ahead for all members of the United Nations, of which Turkey is happily one. We must all work together to achieve final victory over Germany and Japan, but we must also work together to make it impossible for aggressors ever again to plunge the world into war. This is the task to which all of the United Nations will address themselves at the forthcoming conference at San Francisco, and I am confident that the representatives of Turkey at that Conference will do their part in establishing an international system for peace and security.

Presentation of Letters of Credence by the Minister of Lebanon

[Released to the press April 19]

The remarks of the newly appointed Minister of Lebanon, Charles Malik, upon the occasion of the presentation of his letters of credence, April 19, 1945, follow:

MR. PRESIDENT: It is my high privilege to convey on this occasion the sincere and warm greetings of the Government and people of the Lebanon to the Government and people of the United States. By so doing I only voice the genuine affection and admiration which every Lebanese cherishes towards the United States, the country which has generously become the beloved home of so many people of Lebanese origin, and which has unremittingly, for a century now, kept the torch of good will, of democratic ideals, and of Western learning burning high in the East.

Consequently it is with the highest gratification that I have the honor to present to Your Excellency these credentials appointing me the first Lebanese Envoy Extraordinary and Minister Plenipotentiary near the Government of the United States of America. By this accreditation the Lebanon acknowledges with gratitude the good-will and sympathy extended to us by the American Government and people at the dawn of our new independent life.

This rebirth of our freedom, transcending in its significance national and racial boundaries, may prove, like the far-reaching acts of the spirit which our shores witnessed thousands of years ago, to be the herald of an era of peace, freedom, and justice to be enjoyed by all alike, strong and weak, great and small. My presence here before Your Excellency, as the envoy of one of the smallest Republics near the Government of your great and mighty Republic, is indeed the best proof of this. It is symbolic of the hope of so many peoples for the birth of a new and happier world, in which, to quote Professor Perry of Harvard: "Nations like men will no longer live in walled castles from which they make occasional armed forays, but in the valleys and plains where without loss of domestic privacy they enjoy together the fruits of the earth and the achievements of human genius."

My President charges me further with the happy

duty of conveying to Your Excellency his warm personal greetings. He has been good enough to express his faith that I will constantly endeavor to further the interests and prosperity of both Governments. In the pursuance of this honorable mission I feel sure I may count with equal confidence on the good-will and assistance of Your Excellency and of the Government of the United States.

The President's reply to the remarks of Dr. Malik follows:

MR. MINISTER: It gives me great pleasure to accept the credentials appointing you as the first Envoy Extraordinary and Minister Plenipotentiary of the Lebanese Republic to the United States. You are assured of a warm welcome because you represent a country with which Americans have, for over a century, maintained particularly felicitous ties of culture and friendship. Your country has long symbolized a blending and interchange of the cultures of the East and the West.

It is fitting that you have been chosen by your Government to further in an official capacity the ties of friendship that have so long linked our peoples. The knowledge of the American people and their ideals and institutions which you have acquired through residence and study in this country, coupled with your close association with an American university in your native land, endow you with peculiar aptitude to interpret the common aims and aspirations of the two countries.

Your country with its great moral spirit has taken its place among the family of independent nations of the world. I look forward to its contribution to the cause of democratic ideals and justice which the history and background of Lebanon justify mankind to expect. Your presence here is, as you say, symbolic of the hope of so many peoples for the birth of a new and happier world.

In accepting the greetings which the Government and people of Lebanon have so kindly transmitted through you, I request you to convey the equally warm greetings of the Government of the United States and its people to your Government and the Lebanese people.

THE DEPARTMENT

Reorganization of the Office of the Foreign Service¹

Purpose. This order is issued to increase the effectiveness of the Foreign Service of the United States by an expansion and complete reorganization of the Office of the Foreign Service.

Background. Substantial expansion and readjustments in the organization of the Office of the Foreign Service are needed to strengthen and coordinate the administration, management, and direction of the Foreign Service of the United States in order to keep pace with its expanding and increasingly diversified responsibilities. In the period of transition from war to peace and also in the post-war period the United States Government will require vigorous and effective representation abroad; and the increase in and specialization of Foreign Service personnel essential to provide this representation will demand administrative leadership, management and direction. The present reorganization of the Office will therefore provide the administrative framework necessary to:

- (1) Exercise administrative leadership;
- (2) Strengthen the relationships between the field establishments and the Department of State and other departments and agencies of the Government;
- (3) Provide sound direction and coordination of all Foreign Service activities at home and abroad; and
- (4) Develop the potential capabilities of the individual officers and other members of the Foreign Service and their effective utilization.

The duties of the *Board of Foreign Service Personnel*, under Executive Order 5642 of June 8, 1931 and title 22 of the United States Code (sec. 23f), are to submit to the Secretary of State, for approval, lists of Foreign Service officers prepared in accordance with law by the Division of Foreign Service Personnel, graded in accordance with their relative efficiency and value to the Service; to recommend promotions in the Foreign Service and furnish the Secretary of State with lists of Foreign Service officers who have demonstrated special capacity for promotion to the grade of minister; to submit to the Secretary of State, for approval

and transmission to the President, the names of those officers and employees of the Department of State who are recommended for appointment by transfer to the position of Foreign Service officer; to submit to the Secretary of State the names of those Foreign Service officers who are recommended for designation as counselors of embassy or legation; to recommend the commissioning as diplomatic or consular officers, or both, and the assignment and transfer of Foreign Service officers; to recommend disciplinary action of Foreign Service personnel where required; upon recommendation of the Division of Foreign Service Personnel, to determine when the efficiency rating of an officer is unsatisfactory, in order that the Secretary of State may take appropriate action.

The duties of the *Board of Examiners for the Foreign Service*, under Executive Order 5642 of June 8, 1931, are to conduct the examinations of candidates for appointment to the Foreign Service.

The duties of the *Board of the Foreign Service Officers' Training School* are to advise on training programs for Foreign Service officers.

The duties of the *Foreign Service Buildings Commission* are as prescribed in the Buildings Act of May 7, 1926. The Chief of the Division of Foreign Buildings Operations acts as Executive Secretary of the Foreign Service Buildings Commission. In this capacity he prepares the budgetary estimates for new buildings to house United States establishments abroad, submits reports on the status of projects in the Foreign Service buildings programs to the Commission and to the Congress of the United States, and carries out the directions of the Commission.

A Functions and responsibilities of the Office of the Foreign Service. The Office of the Foreign Service shall be responsible for the over-all administration of the Foreign Service, its relationships with the Department and other interested departments and agencies and the coordination of the activities of the component divisions of the Office

¹ Departmental Order 1314, dated Apr. 7, 1945 and effective Apr. 1, 1945.

which share responsibility for the effective direction of the Foreign Service. The functions, responsibilities, and authority of the Office of the Foreign Service as employed in this order shall be construed as in nowise affecting the position of the Division of Foreign Service Personnel, the responsibilities and powers of the Chief of that Division, or his special statutory relationship to the Board of Foreign Service Personnel (22 U.S.C. 23f).

B Foreign Service Inspectors and Liaison Officers. In addition to its several divisions the Office shall include:

(1) *Corps of Foreign Service Inspectors*, who shall inspect and report on the work of diplomatic and consular offices and submit recommendations for the improvement thereof (in accordance with 46 Stat. 1200; 22 U.S.C. 9), and provide a means of personal contact between the Department and field establishments.

(2) *Administrative Headquarters of Liaison Officers* of the Departments of Commerce, Agriculture, and Interior and such other agencies as are concerned with any matters relating to the administration of the Foreign Service.

C Divisions of the Office. The Office of the Foreign Service shall include the following divisions, with functions and responsibilities as indicated:

1 *Division of Foreign Service Planning.* (a) *Establishment.* There is hereby established a Division of Foreign Service Planning to render staff assistance on administrative programming and planning for the Foreign Service. (The functions, personnel, records, and equipment of the Planning Staff, established by Departmental Order 1234 of March 6, 1944, are hereby transferred to the Division of Foreign Service Planning.)

(b) *Responsibilities.* The Division of Foreign Service Planning, with the collaboration of other divisions of the Office of the Foreign Service, interested offices and divisions of the Department, and other departments and agencies of the Government, shall be responsible for programming, planning, and recommending to the Director of the Office of the Foreign Service continual adjustments and improvements in the over-all administration, management, and direction of the Foreign Service. This responsibility shall include:

(1) Defining and analyzing functions and activities to be carried on by the Foreign Service.

- (2) Initiating projects, programs, and surveys to be undertaken by the Foreign Service and providing administrative review of those originating in the Department or in other departments and agencies, together with recommending steps necessary to perform such assignments.
- (3) Making recommendations to the Divisions of Foreign Service Personnel and Training Services as to the number and qualifications of Foreign Service personnel necessary to perform any function which may be required of the Foreign Service.
- (4) Analyzing the organization and management of United States establishments abroad and recommending measures to increase their effectiveness, including, in collaboration with the Divisions of Foreign Buildings Operations and Foreign Service Administration, consideration of the physical facilities necessary to effective operation of establishments abroad.
- (5) Providing staff service to the Joint Survey Group, which shall continue to serve as a forum through which officers of the Foreign Service, of the Department, and of other departments and agencies may develop recommendations for making the Foreign Service increasingly effective and to which the Division of Foreign Service Planning may present proposals for criticism and comment.
- (6) In close collaboration with the Management Planning Division of the Office of Departmental Administration, working to assure effective relations and coordination of administrative policies, procedures, and practices of the Foreign Service, of the Department, and of other interested departments and agencies.
- (7) Preparation, in collaboration with other divisions of the Office of the Foreign Service and of the Department, and with other departments and agencies, of programs covering the needs of the Foreign Service, for the guidance of the Division of Budget and Finance, and development of similar programs for distribution of available funds. (These functions, presently performed by the Division of Foreign Service Administration, the personnel presently performing them, and the pertinent rec-

ords and equipment are hereby transferred from the Division of Foreign Service Administration to the Division of Foreign Service Planning.)

- (8) Assisting the other divisions of the Office of the Foreign Service in developing effective organizational, administrative, and procedural techniques relating to the Foreign Service.
- (9) Analyzing the adequacy of Foreign Service salary and allowance scales. (These functions, presently performed by the Division of Foreign Service Administration, the personnel performing them, and the pertinent records and equipment are hereby transferred from the Division of Foreign Service Administration to the Division of Foreign Service Planning.)
- (10) Initiating recommendations for desirable changes, through legislation and otherwise, to meet changing needs of the Foreign Service. (These functions, the personnel presently performing them, and the pertinent records and equipment are hereby transferred from the Division of Foreign Service Administration to the Division of Foreign Service Planning.)
- (11) Cooperating with the interested divisions of the Department, especially the Divisions of Foreign Service Personnel and Training Services, in developing broad and intensive training programs to be executed by the Division of Training Services, needed to equip the Foreign Service as a whole and individual officers to meet the increasingly diversified activities of the Foreign Service.
- (12) Conducting other planning activities for the continuous improvement of the administrative management and direction of the Foreign Service in Washington and abroad.

2 Division of Foreign Service Personnel. (a) *Direction.* The Division of Foreign Service Personnel is to be continued, under the direction of the Board of Foreign Service Personnel. It shall be responsible for executing the personnel programs required to enable the Foreign Service to meet the increasingly diversified responsibilities in representing the United States Government abroad. This includes recruitment, assignment,

promotion, transfer, and other personnel policies to assure the maximum development of individual officers and of the Service as a whole. Special attention will be given to staff expansion, specialization, and development necessary to enable the Foreign Service to cope with emerging problems in the transition from war to peace and the subsequent era of reconstruction.

(b) *Responsibilities.* The Division of Foreign Service Personnel will have responsibility for:

- (1) Recruitment and appointment of all Foreign Service personnel. (Such of this function as is presently performed by the Division of Foreign Service Administration, the personnel performing it, and pertinent records and equipment are hereby transferred from the Division of Foreign Service Administration to the Division of Foreign Service Personnel.)
- (2) Continuous consultation with interested offices and divisions of the Department, and with other departments and agencies, concerning the number and qualifications of the personnel required to service their overseas programs and to effectively represent the United States Government abroad.
- (3) Continuous consultation with chiefs of mission and principal consular officers concerning personnel programs for individual establishments, including the number and qualifications of personnel required.
- (4) Stimulation of effective personnel management in establishments abroad, with particular attention to the development of individual staff members and, where appropriate, employee welfare and counseling services.
- (5) Maintenance and use of the required efficiency standards of the Service, custody of the confidential records of all personnel, and preparation of the required periodic rating lists for the Chairman of the Board of Foreign Service Personnel.
- (6) Recommendation to the Board of Foreign Service Personnel of administrative action regarding assignments, transfers, promotions, demotions, disciplinary action, retirements, and separations from the Service, based upon conclusions drawn from an evaluation of efficiency reports, inspection reports, and official authentic

information from chiefs of diplomatic missions and consular establishments, from competent officers of the Department and from other informed sources. (This function, the personnel presently performing it, and pertinent records and equipment are hereby transferred from the Division of Foreign Service Administration to the Division of Foreign Service Personnel.)

- (7) Cooperation with the Divisions of Foreign Service Planning and Training Services in the development and utilization of broad and intensive training programs, to be executed by the Division of Training Services, needed to equip the Foreign Service as a whole and individual officers, to meet the increasingly diversified activities of the Foreign Service in the post-war period.
- (8) Granting of leaves of absence and the keeping of records thereof. (This function, presently performed in the Division of Foreign Service Administration, the personnel performing it, and pertinent records and equipment are hereby transferred from the Division of Foreign Service Administration to the Division of Foreign Service Personnel.)
- (9) Counseling with Foreign Service personnel.
- (10) Handling correspondence concerning entrance into the Foreign Service.
- (11) Maintaining the records of the Board of Examiners for the Foreign Service and handling matters connected with the holding of examinations for entrance into the Foreign Service.
- (12) The maintenance of all necessary files, including the non-confidential master personnel-control records; and, in collaboration with the Division of Research and Publication, the preparation of the Foreign Service List and the Foreign Service sections of the Register of the Department of State. (This function, presently performed in the Division of Foreign Service Administration, the personnel performing it, and pertinent records and equipment are hereby transferred from the Division of Foreign Service Administration to the Division of Foreign Service Personnel.)

3 Division of Training Services. (a) *Establishment.* There is hereby established the Division of Training Services, which shall carry out broad and intensive programs of training for Foreign Service and Departmental personnel and, when requested by the responsible officials concerned, for employees of other Government agencies who are being sent abroad. The expanding and diversified responsibilities of the Department of State and the Foreign Service of the United States during the war and in the post-war period have necessitated considerable increase in staff. It is therefore of prime importance that training programs be developed and maintained in order to equip present and new personnel to carry these responsibilities in the Department and the Foreign Service establishments abroad.

(b) *Purpose of training.* The Division of Training Services shall administer orientation and training programs to assure the maximum effectiveness of the Department and the Foreign Service as a whole, provide competent personnel in specialized fields, and develop the full potential of individual abilities of officers and employees. The progressive development of individual members of the Foreign Service is of prime importance.

(c) *Types of training programs.* The Division of Training Services shall collaborate with the Divisions of Foreign Service Planning, Foreign Service Personnel, and Departmental Personnel in developing comprehensive orientation and training programs and shall administer such programs on a continuing basis to meet current needs. As illustrative of the training to be offered, these programs shall cover such types of training as:

- (1) *Basic orientation.* Courses of instruction to provide basic orientation in the organization and work of the Department of State, the relationships of the Department to other Federal agencies, the relationships of the Department to representatives of other governments in the United States, the relationships of the United States to international organizations and the role of the Department in those relationships, the organization and functions of the Foreign Service of the United States, the activities of Foreign Service establishments abroad, and the fundamental principles and nature of United States foreign policy for Foreign Service and Departmental personnel and

for representatives of other Government agencies going abroad.

- (2) *Junior-officer orientation.* Courses of instruction to acquaint and equip new officers of the Foreign Service, who shall also receive the basic orientation, with the duties, responsibilities, and procedures of junior officers in Foreign Service establishments abroad.

- (3) *Administrative and clerical training.* Courses of instruction for Foreign Service and Departmental personnel, in the administrative, fiscal, and clerical duties which they are to perform, including special courses for administrative and executive officers; further training of members of the Foreign Service on the duties and responsibilities involved in the work of Foreign Service establishments abroad; advanced courses for officers of the Foreign Service, to prepare them for high administrative and fiscal duties and responsibilities.

- (4) *Specialized training.* Planned programs and arrangements for advanced and specialized training to further develop individual officers and provide the specialized skills necessary to carry on the increasingly diversified work of the Foreign Service; also, in individual cases, specialized training through attendance at selected colleges, universities, and technical schools, participation in and detail to international conferences and meetings of organizations, observation and contact with business and industry in the United States or other countries, study and participation in the work of educational and professional organizations, and public liaison activities such as traveling and speaking in various sections of the United States—the emphasis being on utilization of the highly specialized facilities of private and public institutions and agencies, the programs being planned on an individual basis within the framework of the overall needs of the Foreign Service, being flexible and designed to develop the talents and capabilities of individual officers, and being related to their assignments of such officers by the Division of Foreign Service Personnel. The planning and timing of such arrangements may be geared to facilitate exchange of personnel from Govern-

ment agencies in Washington to the field and of field personnel to work in the United States.

- (5) *Language training.* Intensive initial or refresher language courses for Foreign Service officers, to be conducted within the Division or, by arrangement, in colleges, universities, and organizations, in order that officers may be familiar with the principal language of the country to which they are being sent.

(d) *Assistance by other divisions and offices.* In planning and carrying forward these training programs, the Division of Training Services shall rely on and receive the collaboration and consistent support of all divisions and offices of the Department, particularly in developing materials and conducting lectures, in order that the subject-matter, policies, and administrative practices and procedures in their respective fields are properly covered.

(e) *Consultants.* The Chief of the Division of Training Services may make recommendation, through the Director of the Office of the Foreign Service, to the Board of the Foreign Service Officers' Training School for the constitution of a panel of consultants comprising leading educators, training specialists, and other qualified persons.

4 *Division of Foreign Reporting Services.* (a) *Establishment.* There is hereby established a Division of Foreign Reporting Services to assure that the offices and divisions of the Department and other departments and agencies of the Government are effectively supplied with the full and timely information necessary to discharge their responsibilities; to review and coordinate requests for Foreign Service reporting; to assure that the field staff is adequate to meet those demands; to administer the appraisal and grading of reports from the field; and to maintain liaison with users of the reporting facilities of the Foreign Service. (Such of these functions as are now performed in the Division of Central Services will be carried on temporarily in that division; when plans for the Division of Foreign Reporting Services are fully developed, the functions described herein, the personnel performing them, and the pertinent records and equipment, so far as they are not a part of the communications operations, shall be transferred to the Division of Foreign Reporting Services.)

(b) *Responsibilities.* The Division of Foreign Reporting Services shall have responsibility for:

- (1) Administrative coordination of instructions and supervision of foreign reporting services required by the Department and other departments and agencies, in order to prevent duplication or conflict of requests or outstanding instructions.
- (2) Expediting clearance of instructions with other divisions of the Department.
- (3) Assuring rapid processing and dispatch of instructions to the field.
- (4) Recommending adjustments needed in the field in order to comply promptly with reporting requests.
- (5) Screening requests for copies of Foreign Service reports and, in collaboration with the interested policy divisions of the Department, making recommendations to the Division of Central Services to assure adequate and prompt distribution to interested agencies of the Government.
- (6) Administration of the system for evaluation of Foreign Service reports by divisions of the Department and by other departments and agencies that use them, for coverage, sufficiency, timeliness, etc.
- (7) Maintaining constant liaison with all Federal departments and agencies that use Foreign Service reports, such as the Departments of Commerce, Agriculture, and Interior, through their appointed liaison officers or by direct contact, to assure effective coverage of their reporting needs.
- (8) Keeping chiefs of mission and reporting officers fully informed of the use and effectiveness of their work.
- (9) Stimulating divisions of the Department to issue instructions to the field to keep it currently abreast of policy and procedural changes within the spheres of responsibility of the geographic and functional divisions.
- (10) Liaison with divisions of the Department and with other departments and agencies that know what is needed and the difficulties experienced in the field.
- (11) Both directly and in cooperation with the Information Service Committee, seeing that there is a comprehensive flow of background and policy information to reporting officers in the field.
- (12) In collaboration with the Division of Training Services, other divisions and

offices of the Department, and other departments and agencies, arranging consultations and conferences for officers returning to the United States, such consultations to provide the Government users of reports and the officers an opportunity for first-hand exchange of views on the content and use of information coming from the field.

(c) *Responsibilities of geographic and functional divisions of the Department.* The geographic and functional divisions of the Department and other Government agencies using Foreign Service reports will continue to have responsibility for guiding Foreign Service reporting in the subject-matter fields for which they are responsible, including the drafting of instructions and evaluation of reports.

5 *Division of Foreign Service Administration.*

(a) *Direction.* The Division of Foreign Service Administration shall be continued.

(b) *Supervisory responsibilities.* The Division shall be responsible for the supervision of the Foreign Service in the functions set forth below. It shall provide effective service in those areas to the public, to interested divisions of the Department, and to other agencies. It shall collaborate with other divisions of the Department and with interested agencies in recommending changes in the laws and Foreign Service Regulations with respect to these functions. These functions relate to:

- (1) The Navigation Laws of the United States and matters concerning shipping and seamen as provided by statute and regulation, including the shipment, discharge, relief, repatriation, and burial of seamen; and similar functions, as provided, for aircraft and crewmen;
- (2) Protests and declarations of captains, masters, crews, passengers, and merchants;
- (3) Notifications of outbreaks of disease, sanitary reports, bills of health and other public services of interest to the United States Public Health Service, the Surgeon General of the Navy, the Director of the Pan American Sanitary Bureau, and other medical, health, and sanitation agencies; administrative services in connection with the export and import of special drugs, etc.;
- (4) Representation by American diplomatic and consular officers abroad of the interests of third powers, except as specifically

assigned to the Special War Problems Division;

- (5) Immunities, powers, and privileges of Foreign Service personnel and their status in regard to and in relations with the personnel of other United States Government agencies operating abroad;
- (6) Documentation of merchandise being exported to the United States, the issuance of necessary certificates in connection therewith, compliance with the plant and animal quarantine laws and the laws and regulations relating to customs and tariffs;
- (7) Notification of the decease of Americans abroad (American seamen covered under subparagraph 1), and all matters in connection with their burial or the shipment of their remains, inventorying and disposal of their effects and estates, and services in connection with estates abroad;
- (8) All necessary assistance to the Veterans Administration, the Social Security Board, and other agencies in connection with their beneficiaries or dependents abroad;
- (9) Notarial acts, oaths, affirmations, affidavits, and legal instruments executed abroad for use in the United States;
- (10) Administrative matters in connection with consular courts, extradition, and extraterritorial rights in collaboration with the Legal Adviser;
- (11) Protection of American lives, property, and interests abroad other than as specifically handled by the Special War Problems Division;
- (12) Arrangements for the Atlantic ice patrol, scientific explorations and expeditions abroad, etc.; and
- (13) Other miscellaneous services to Americans abroad as assigned by the Secretary of State.

(c) *Servicing responsibilities.* The Division of Foreign Service Administration shall also be responsible for assuring to establishments in the field the effective servicing of their requests for supplies, equipment, etc., to meet general administrative needs. In fulfilling these responsibilities the Division shall perform such activities as:

- (1) Receiving and screening requests from field establishments for supplies, equip-

ment, and repairs to the same, and recommending appropriate action by the Division of Central Services;

- (2) Receiving and screening requests for travel accommodations of Foreign Service personnel and recommending appropriate action by the Division of Central Services;
- (3) Arrangements in connection with the opening and closing of Foreign Service establishments abroad;
- (4) Operation of the diplomatic pouch service and supervision of diplomatic couriers;
- (5) Supervision of the Department's despatch agencies;
- (6) Handling of emergency wartime problems, such as the evacuation of staffs and dependents from dangerous areas;
- (7) Handling of specialized financial transactions of Foreign Service establishments;
- (8) General administrative assistance to missions sent abroad by other departments and agencies;
- (9) Handling of claims made by Foreign Service personnel for personal losses;
- (10) Bonding of officers of the Foreign Service;
- (11) Maintenance of the Foreign Service Regulations;
- (12) Issuance of circular instructions and maintenance of master file and records of same;
- (13) Maintaining inventory of property in classifications B, C, and D of section IV-7 of the Foreign Service Regulations;
- (14) Handling of cases under United States Employees' Compensation Commission abroad;
- (15) Handling of Selective Service cases of Foreign Service personnel and (for the National Headquarters of Selective Service) of Americans abroad; and
- (16) Services for Foreign Service personnel, including commissary arrangements, assistance in obtaining articles in short supply, handling of mail, etc.

6 Division of Foreign Buildings Operations.

(a) *Responsibilities.* The Division of Foreign Buildings Operations shall be continued, with responsibility for the housing, maintenance, and furnishing of Foreign Service establishments abroad.

(b) *Functions.* The functions of the Division shall include:

(1) Purchase of properties and construction of buildings to house the diplomatic, consular, and other agencies of the United States Government abroad, which will involve such activities as:

- (i) Analysis and determination of the need for acquiring new sites, needed alterations, and construction, including analysis of projects submitted by missions and other government agencies for purchase of property and buildings, new construction, repairs or alterations;
- (ii) All architectural and engineering matters involved in housing the Foreign Service of the United States;
- (iii) Supervision and inspection of the construction, alterations, repairs and maintenance operations of Foreign Service buildings and properties.

(2) Making the initial purchase of residential and special office furniture and furnishings; and screening requirements and preparing directives for the use and guidance of the Division of Central Services in the purchase of such office furniture and furnishings as the Division of Central Services is called on to make. This includes such activities on the part of the Division of Foreign Buildings Operations as:

- (i) Collection and maintenance of complete records and inventories of all Government-owned buildings and residences, office furniture, furnishings, and related articles of equipment in buildings owned or leased by the Department of State;
- (ii) Preparation of programs for furnishing buildings constructed, purchased or leased for Foreign Service residences and offices abroad, and maintenance of furnishings;
- (iii) Inspection of all articles purchased under those programs to determine whether they meet specifications.

(3) Leasing of sites and property abroad. (This function, the personnel presently performing it, and the pertinent records and equipment are hereby transferred from the Division of Foreign Service Administration.)

D Routing symbols. The routing symbols of the Office and its several divisions shall be:

OFS, for the Office of the Foreign Service;
FSP, for the Division of Foreign Service Planning;

FP, for the Division of Foreign Service Personnel;

FSS, for the Division of Training Services;

FR, for the Division of Foreign Reporting Services;

FA, for the Division of Foreign Service Administration;

FBO, for the Division of Foreign Buildings Operations.

Previous Orders amended.

Page 35, paragraph 4, of Departmental Order 1218 of January 15, 1944 and part XVII, paragraphs 3 (c) and 4, of Departmental Order 1301 of December 20, 1944 are accordingly amended; part XVI of Departmental Order 1301 is hereby superseded.

E. R. STETTINIUS, Jr.

Visit of Mexican Ethnographer

[Released to the press April 20]

The distinguished Mexican ethnographer, Federico Hernández Serrano, is observing museum organization and installation in this country at the invitation of the Department of State.

Señor Hernández Serrano is on the staff of the Historical and Colonial Museum of Mexico at Chapultepec. This institution is a rich source of Mexican art, both painting and sculpture, produced in Mexico under the influence of Spanish artists and showing a remarkably interesting combination of indigenous and European elements. Among the historical treasures of the museum at Chapultepec is a complete gallery of contemporary portraits of all the Spanish viceroys of Mexico.

Señor Hernández Serrano is a specialist on the industrial arts of the colonial period, and his next book will be on that subject, copiously illustrated with reproductions of exhibits in the Historical and Colonial Museum. He says that the purpose of the Mexican Government in making available such publications is in part to document more fully historical knowledge of the period but is more especially to restore to the modern Mexican craftsman a knowledge of the old forms of his country's art, both colonial and pre-Columbian.

In the United States Señor Hernández Serrano will spend considerable time at the National Gallery in Washington; the Philadelphia Museum of Art; and the Museum of Modern Art, the Metropolitan Museum, the Hispanic Museum, the Museum of Natural History, and the Museum of the American Indian in New York. He is interested especially in the staffing and technical methods at these museums, storage facilities, restorations, ventilation, and exhibit methods. His own numerous books include works on the art of the silversmith in Mexico, regional architecture, and various specialized studies on architectural monuments and colonial painters.

THE FOREIGN SERVICE

Confirmations

On April 19, 1945, the Senate confirmed the nomination of Spruille Braden as American Ambassador Extraordinary and Plenipotentiary to Argentina.

THE CONGRESS

International Air Transport Policy. H. Rept. 417, 79th Cong., to accompany H. Res. 176. 1 p. [Favorable report.]
Correcting an Error in Section 342(b) (9) of the Na-

tionality Act of 1940, as amended. H. Rept. 419, 79th Cong., to accompany H.J. Res. 51. 1 p. [Favorable report.]

Requesting Certain Information From the Department of State. H. Rept. 423, 79th Cong., to accompany H. Res. 189. 1 p.

Providing for the Expenses of Conducting the Basic Problems Affecting Post-War Immigration and Naturalization Authorized by House Resolution 52 of the Seventy-ninth Congress. H. Rept. 427, 79th Cong., to accompany H. Res. 221. 1 p. [Favorable report.]

First Deficiency Appropriation Bill, 1945. H. Rept. 429, 79th Cong., to accompany H.R. 2374. 5 pp.

Food and Agriculture Organization of the United Nations. H. Rept. 431, 79th Cong., to accompany H.J. Res. 145. 9 pp. [Favorable report.]

Coverage of Certain Drugs Under the Federal Narcotic Laws. S. Rept. 187, 79th Cong., 4 pp. [Favorable report.]

Second Report to Congress on United States Participation in Operations of UNRRA: Message from the President of the United States transmitting the Second Quarterly Report on UNRRA expenditures and operations under the act of March 28, 1944, authorizing United States participation in the work of the United Nations Relief and Rehabilitation Administration. H. Doc. 139, 79th Cong. 31 pp.

Further Prosecution of the War: Address of the President of the United States delivered before a joint session of the Senate and House of Representatives on the subject of the further prosecution of the war. H. Doc. 143, 79th Cong. 4 pp.

Departments of State, Justice, Commerce, the Judiciary, and the Federal Loan Agency Appropriation Bill, 1946. S. Rept. 188, 79th Cong., to accompany H.R. 2603. 9 pp. [State Department, pp. 1, 2-5, 9.]

Departments of State, Justice, Commerce, the Judiciary, and the Federal Loan Agency Appropriation Bill for 1946: Hearings before the Subcommittee of the Committee on Appropriations, United States Senate, Seventy-ninth Congress, first session, on H.R. 2603, a bill making appropriations for the Departments of State, Justice, Commerce, the Judiciary, and the Federal Loan Agency for the fiscal year ending June 30, 1946, and for other purposes. II, 426 pp. [State Department pp. 1-207, 404-410.]

Contents—Continued

TREATY INFORMATION	Page
Signing of Fourth Protocol With the Soviet Government . . .	723
Senate Approval of the Water Treaty With Mexico:	
Statement by the President	742
Statement by the Secretary of State	742
Renewal of Trade Agreements:	
Statement by the Secretary of State	748
Statement by Assistant Secretary Clayton	752
Statement by Assistant Secretary Rockefeller	757
Agreement Between the United States of America and Belgium under Section 3 (c) of the Lend-Lease Act:	
Exchange of Letters Between the Belgian Ambassador and the Secretary of State	763
Memorandum of Interpretation	764
Statement by the Secretary of State, the Foreign Economic Administrator, and the Secretary of the Treasury	765
Exchange of Letters Between the Belgian Ambassador and the Secretary of State Regarding the Reciprocal-Aid Agreements	767
Replacement of Imported Articles Used by United States Armed Forces in Belgium: Letter from the Secretary of State to the Belgian Ambassador	768
Mutual Aid With the Union of South Africa on Cash Basis	769
Signing of the Third Lend-Lease Act. Statement by the President	773
U. S. S. R.—Yugoslavia Treaty	774
THE DEPARTMENT	
Reorganization of the Office of the Foreign Service	777
THE FOREIGN SERVICE	
Confirmations	785
PUBLICATIONS	771
THE CONGRESS	785